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International Library of Technology

59D

Bookkeeping

81 Illustrations

By

N. H. PROUTY, F. A. A., C. P. A.

DIRECTOR, BUSINESS TRAINING SCHOOLS
INTERNATIONAL CORRESPONDENCE SCHOOLS

SINGLE-ENTRY BOOKKEEPING
DOUBLE-ENTRY BOOKKEEPING
OPENING, CLOSING, AND CHANGING BOOKS,
AND HOW TO ENTER ACCOUNTING WORK

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PREFACE

The volumes of the International Library of Technology are made up of Instruction Papers, or Sections, comprising the various courses of instruction for students of the International Correspondence Schools. The original manuscripts are prepared by persons thoroughly qualified both technically and by experience to write with authority, and in many cases they are regularly employed elsewhere in practical work as experts. The manuscripts are then carefully edited to make them suitable for correspondence instruction. The Instruction Papers are written clearly and in the simplest language possible, so as to make them readily understood by all students. Necessary technical expressions are clearly explained when introduced.

The great majority of our students wish to prepare themselves for advancement in their vocations or to qualify for more congenial occupations. Usually they are employed and able to devote only a few hours a day to study. Therefore every effort must be made to give them practical and accurate information in clear and concise form and to make this information include all of the essentials but none of the non-essentials. To make the text clear, illustrations are used freely. These illustrations are especially made by our own Illustrating Department in order to adapt them fully to the requirements of the text.

In the table of contents that immediately follows are given the titles of the Sections included in this volume, and under each title are listed the main topics discussed. At the end of the volume will be found a complete index, so that any subject treated can be quickly found.

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SINGLE-ENTRY BOOKKEEPING
(PART 1)

PRINCIPLES OF BOOKKEEPING

PRELIMINARY REMARKS

1. Introduction.—It is the intention to give the student, in this and the following Section, such a full and complete understanding of the theory and elements of single-entry bookkeeping as will enable him to keep, by this method, books for any kind of business to which the method is adapted. If the examples illustrated and explained are exactly and conscientiously followed, a valuable knowledge of business and bookkeeping will surely be acquired.

2. Bookkeeping and Its Uses.—Books of account are kept, in some manner, by all persons doing business. This is done that they may know their resources and liabilities and also the extent of their business and its receipts and expenditures.

3. Bookkeeping is the systematic recording of the facts that will show the standing of a business. A *bookkeeper*, or *accountant*, is a person who understands how to make such records and how to prepare the bills, checks, drafts, etc. necessary in mercantile transactions, and is acquainted with the manner in which such instruments are used.

4. Methods of Keeping Books.—There are two distinct methods of keeping accounts, called *single-entry bookkeeping* and *double-entry bookkeeping*.

All that is aimed at in strictly **single-entry bookkeeping** is to enable one party to keep an account of his

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dealings with others, in order that he may know how much they owe him and how much he owes them, none but personal accounts being kept. An entry is made only when a personal account is affected, and the person is simply debited or credited, hence the term *single entry*. It is customary, however, to keep an account with Cash also, in order that the proprietor may know the amount of money that has been received and expended.

In some sets of books, double entry is combined with single entry to the extent that accounts are kept with Merchandise, Expenses, Freight, and Wages, for the purpose of showing how much merchandise was bought and sold and how much was paid out for expense. When such accounts are kept, they are simply balanced and ruled off at the time of closing the books for any business period.

In **double-entry bookkeeping** an account is kept with every class of property dealt in and with Expense, etc., as well as with every person dealt with. A debit and credit entry is made for every transaction, thus making an entry to two or more accounts, according to the number affected by the transaction; that is to say, every time an account is debited, some other account must be credited for the same amount, hence the term *double entry*.

RULE FOR DEBIT AND CREDIT

5. The two main principles of bookkeeping are **debit** and **credit.** If the following directions for debit and credit are strictly followed, a mistake will never be made.

When to debit—

Cash: When you receive it.
The person: When you trust any one.
The person: When you pay any one.

When to credit—

Cash: When you pay it out.
The person: When he trusts you.
The person: When he pays you.

MERCANTILE TERMS, ABBREVIATIONS, SIGNS, AND CHARACTERS

MERCANTILE TERMS

6. The following list of **mercantile terms** is very complete, and a clear and comprehensive knowledge of them and their application will be found necessary to every student of commercial subjects.

Accept.—So to acknowledge, by signature, as to bind for payment.

Acceptance.—A draft or bill of exchange that has been accepted; usually done by the acceptor (drawee) writing his name across the face of the draft in red ink, together with the word "Accepted" and the date.

Account.—A formal statement of debits and credits.

Account Books.—Books made and used for keeping accounts.

Account Current.—An open or running account; an account for the present month, quarter, or other period of time.

Account Sales.—A detailed statement of the sales of goods by a commission merchant, showing also the expenses, after charges, and the net proceeds.

Accrued.—Accumulated, as interest due and unpaid.

Acknowledgment.—A formal admission made before a notary or other authorized person that the act described was voluntarily performed.

Ad Valorem.—According to value; a custom-house term relating to duties on imported goods.

Advice.—A notice of a bill drawn; information with reference to a shipment; any mercantile information.

Affidavit.—A written declaration made under oath.

Agent.—One who acts for another; a deputy.

Agreement.—Mutual assent; a contract.

Allowance.—A deduction from the gross weight of goods; an abatement.

Annuity.—A sum to be paid to another in fee, or for life, or for years.

Antedate.—To date anything prior to the actual time of writing.

Appraise.—To estimate the value of goods or property, as for the purpose of taxation, etc.

Appurtenances.—Those things that appertain or belong to something else, as the buildings and fences to the farm on which they stand.

Articles.—Divisions of a written or printed agreement, as articles of copartnership; things or commodities, as articles of merchandise.

Assets.—The funds, property, and total resources of a person in business.

Assign.—To transfer or make over to another, usually for the benefit of creditors.

Assignee.—The person to whom the affairs of an insolvent debtor are referred for adjustment, usually a trustee of the creditors.

Assignment.—The formal transfer of property to an assignee.

Assignor.—The one who assigns his property for the benefit of his creditors.

Assume.—To take upon oneself the risk or liabilities of another.

Attachment.—A legally executed claim on property; a warrant for the seizure of goods to satisfy debt.

Auxiliary.—(Helping.) Applied to such account books as are kept merely as aids to the principal books.

Average.—A proportional share of a general loss, usually applied to the loss of goods at sea; also, a mean time of payment for several debts due at different times.

Balance.—To close an account; difference between debits and credits.

Balance of Trade.—Difference between the exports and imports of a country.

Balance Sheet.—A statement in condensed form, showing the condition and progress of business.

Bank.—An institution, generally incorporated, authorized to receive deposits of money, to lend money, and to issue

promissory notes—usually called bank notes—or to perform some one or more of these functions.

Bank Balance.—Net amount on deposit at bank.

Bank Bills or Notes.—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

Bank Book.—The pass book of the depositor, in which the receiving teller writes the separate deposits. The bookkeeper enters the paid checks at stated intervals.

Bank of Deposit.—A bank for the custody and employment of money entrusted to its care by its customers.

Bank of Discount.—A bank for the loaning of money on commercial paper and collateral securities.

Bank of Issue.—A bank that, besides employing or lending the money entrusted to it, is authorized to issue notes of its own.

Bankrupt.—One who fails in business and is unable to pay his debts.

Bank Stock.—Shares in a banking establishment.

Bill.—A detailed statement of goods bought or sold; a negotiable instrument.

Bill Book.—A book containing the particulars of notes issued and notes received.

Bill of Exchange.—An order for the payment of money, usually drawn on a person or a bank in another country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

Bill of Lading.—A written acknowledgment by the representative of a common carrier that he has received the goods therein described, to be carried to a certain destination, on the terms stated, and delivered to the person specified or to the order of the shipper; it is both a receipt and a contract; it may be negotiated for value, and then it becomes the absolute title to the goods.

Bill of Sale.—A writing given by the seller to the buyer, transferring the ownership of personal property.

Bill Head.—A printed form on which to render bills.

Bills Payable.—Notes and acceptances payable by us.

Bills Receivable.—Notes and acceptances of others payable to us.

Blanks.—Books and papers ruled to forms suitable for business purposes.

Blotter.—(The Day Book.) Book of original entry containing a history of transactions in the order of their occurrence.

Book Account.—An entry or charge in the books in contradistinction from a note or written promise.

Breakage.—An allowance on goods imported in bottles; compensation for things broken.

Broker.—An agent or middleman between the buyer and the seller.

Brokerage.—The percentage or commission charged by a broker for his services.

Cancel.—To annul; to destroy; to render void.

Capital.—Investment in business.

Capital Stock.—The joint or aggregate paid-in capital of the stockholders in corporate institutions.

Cartage.—The charges for conveying goods by carts or wagons.

Cash.—Coin, bank notes, checks, etc., that pass as money.

Certificate.—A written or printed testimony; as, a certificate of deposit, a certificate of stock.

Certified Check.—A check that has been acknowledged good by the bank on which it is drawn.

Charges.—The expenses incurred in handling goods, more especially those bought and sold on commission.

Chattels.—Movable things; personal property.

Check.—An order on a bank drawn by a depositor.

Closing an Account.—Making an entry to balance it.

Closing Lines.—The ruling lines drawn after an account is balanced and footed.

Collaterals.—Pledges of stock, notes, or chattels for security of loans and other indebtedness.

Commission.—A percentage allowed for buying or selling goods or for transacting other business.

Commercial Paper.—Notes, drafts, and other written orders for the payment of money used in trade.

Consideration.—The material cause that moves a party to enter into a contract; not the motive or moral cause, but the price or stipulated amount that may be expressed in money value.

Consignee.—The agent or person to whom goods are sent to be sold on commission. The goods are said to be *consigned*, and are called by the one who receives them a *consignment*.

Consignor.—The party who thus consigns his goods to an agent. The consignor calls such goods a *shipment* to distinguish them from other goods that he himself may have received to be sold on commission, and which he, in turn, calls a consignment.

Contract.—An agreement for a lawful consideration to do or not to do something possible and lawful to be done.

Conveyance.—A legal document transferring the ownership of land or other property from one person to another.

Cooperage.—Expenses paid for repairing casks, boxes, etc.

Date.—A statement of the day of the month and year when a letter was written or a transaction effected.

Days of Grace.—The days allowed for the payment of a note or bill after the time specified has expired.

Deed.—A sealed instrument used in the conveyance of real estate; any legal instrument under seal.

Demand.—Asking by authority; a claim by right.

Deposit.—Money left in a bank subject to order.

Discount.—A deduction; the sum allowed for payment of a bill before due; the sum paid as interest in advance for money at a bank.

Dishonor.—Failure to pay when due; refusal to accept a draft.

Dividend.—Gain to be divided among the stockholders in a joint-stock company.

Double Entry.—A system of bookkeeping by which the debits and credits in any transaction are equal in amount.

Draft.—A written order or request for the payment of money at a certain time.

Drawee.—One on whom the draft is drawn; the payer.

Drawer.—The person who draws the draft, and thus asks the drawee to pay to the payee named.

Drayage.—Charges for hauling goods on drays or wagons.

Due Bill.—A brief written acknowledgment of debt, having the effect of a promissory note without time to run.

Duplicate.—A copy; a transcript of any document.

Extend.—In accounts, to add the items and carry the totals out into their proper columns.

Face.—The amount for which a bill is drawn.

Facsimile.—An exact copy.

Favor.—A polite term for a letter received. A bill or note is said to be drawn in favor of the one to whom it is made payable.

Fixtures.—That part of the furniture of a store or office which is not movable; as, the gas pipes, partitions, etc.

Freight.—Goods in transit; the price paid for transportation.

Gain.—Increase in wealth; profit.

Good-Will.—The reputation and patronage that pertains to an established business; also, the personal interest and influence of a withdrawing partner apart from that shown by his account.

Gross Weight.—Weight of goods including box and packing.

Indorse.—To guarantee; to write one's name on the back of a check or note.

Indorsee.—The person in whose favor a check is indorsed.

Indorser.—The person who indorses.

Instant.—Present; current; the present month.

Insurance Policy.—The instrument containing the contract between the insurance company and the party insured.

Interest.—The use of money; premium paid for the use of money; right or share in a business.

Inventory.—An itemized schedule or list of goods and other property, with their value as then estimated.

Investment.—The laying out of money in the purchase of property or goods.

Invoice.—A list of goods bought or sold, received from abroad, or about to be shipped.

Invoice Book.—A book in which invoices are copied or placed.

Jobber.—One who buys goods from manufacturers and importers, and sells them to retailers.

Job Lot.—An irregular assortment; miscellaneous goods unsold at the end of a season.

Joint Stock.—Property held in common by a company of men, each of whom is called a stockholder.

Journal.—A book in which the debits and credits of a transaction are arranged preparatory to posting.

Judgment.—The decree of a court enforcing a contract or redressing a wrong.

Judgment Note.—A promissory note in the usual form, coupled with a warrant of attorney authorizing the entry of judgment without process of law, in case of non-payment.

Leakage.—An allowance made for loss or waste on liquids transported in casks.

Lease.—A contract granting possession and use of property for a specified time.

Ledger.—A book of accounts, in which the results of business are arranged under suitable headings.

Legal Tender.—(Lawful offer.) The name given to such currency as the law declares shall be received in payment of all ordinary debts.

Lessee.—One to whom a lease is made.

Letter of Advice.—A letter containing a notice of a shipment, or of a bill drawn, or of some act in which the party receiving the advice has an interest.

Letter of Attorney.—Written authority to act for another.

Letter of Credit.—An open letter authorizing the bearer to receive money on the credit of the writer. (Generally issued by banking houses to travelers in foreign countries.)

Liabilities.—Debts owed by an individual or firm.

Loss and Gain.—The title of an account showing the profit and loss in business.

Maker.—The signer of a note.

Mercantile Agency.—A company whose business is to obtain and circulate among its patrons information as to the business standing of merchants and traders.

Merchandise.—Any of the movable articles used in trade; that which is bought to sell again, as distinguished from that which is bought to use.

Money Order.—An order on a third party requesting him to pay to the person named a certain sum.

Mortgage.—The pledge of land, goods, or chattels to secure the payment of a debt.

Mortgagee.—The person in whose favor the mortgage is given.

Mortgagor.—The person who gives a mortgage.

National Bank.—A banking institution established in the United States under an Act of Congress. National banks can issue their individual notes (engraved and furnished by the government) but only on the basis of United States bonds deposited with the treasurer of the United States as security for said notes in circulation, should any such bank fail in business.

Negotiable.—That which is transferable by delivery, assignment, or indorsement.

Net.—Clear of all charges and deductions.

Net Loss.—Excess of losses over gains.

Net Proceeds.—The remainder after deducting charges for sales.

Net Weight.—Weight after deducting all allowances.

Nominal.—Existing in name only.

Obligation.—Indebtedness; a bond with a consideration annexed, and a penalty for non-fulfilment.

Open Account.—An unsettled account with a firm or individual.

Open Policy.—An insurance policy intended to cover all goods shipped by a certain person (or received) within a certain specified time. Each separate risk is to be indorsed on the policy as it arises.

Order.—A request to pay or deliver certain money or goods.

Order Book.—The book in which requests for goods are entered.

Overdraw.—To draw for a sum greater than one's credit balance.

Par.—Equal in value; that is, the market value is equal to the face or nominal value without premium or discount.

Partnership.—Company; firm; union of two or more in business.

Par Value.—The nominal value; usually the printed or written value of any commercial paper.

Pass Book.—A book in which a trader enters articles sold on credit. It is carried by the purchaser and presented by him for record when the purchases are made.

Payee.—Person to whom money is paid.

Payer.—Person who pays.

Per.—A Latin preposition meaning through or by. Used in self-explaining compounds; as, per bushel, per day, per gross, etc.

Per Annum.—By the year.

Per Cent.—(Per centum.) By the hundred.

Percentage.—A part or portion expressed in hundredths.

Per Diem.—By the day.

Personal Accounts.—Accounts with persons—even artificial persons, as banks, corporations, etc.—as distinguished from accounts with property, etc.

Personal Property.—All property except real estate.

Petty Cash Book.—A memorandum book of small receipts and expenses.

Postdate.—(After date.) To date after the real time of writing.

Posting.—Transferring the entries from the Journal and other books to their proper accounts in the Ledger.

Power of Attorney.—A written instrument giving an agent authority to act for his principal in matters requiring such written delegation of power; such an agent is called an *Attorney-in-Fact.*

Preferred Stock.—Stock that is entitled to a stipulated

dividend before any dividend can be declared on the ordinary or common stock.

Premium.—Excess above par; sum paid for insurance.

Proceeds.—The amount or value of anything converted into money.

Promissory Note.—A written promise to pay a certain sum of money at a specified time.

Protecting a Draft.—Accepting or paying a draft to prevent its being dishonored or protested.

Protest.—(1) A formal declaration made by a notary public that a note was not paid at maturity, or that a bill of exchange was not accepted when presented, or was not paid when due; (2) an official statement by the master of a vessel that the damage to ship or cargo was caused by stress of weather and not by negligence.

Proximo.—Next month.

Quotation.—The published price of stocks, merchandise, freight rates, rates of exchange, etc.

Real Estate.—Land and such buildings and appurtenances as pass with the land in conveyance of sale.

Receiver.—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

Remittance.—Funds sent from one place to another.

Renewal.—(Of a note.) As giving a new note in exchange for a like note when due.

Rent.—Amount paid for use of another's premises.

Resources.—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

Savings Bank.—Bank of deposit where interest is allowed on amounts deposited.

Schedule.—A list or inventory of goods or prices.

Shipment.—The putting of goods on board a vessel; the title of an account with goods sent away to be sold on commission.

Sight Draft.—A draft payable at sight; that is, on presentation to the drawee.

Spot Cash.—Immediate payment.

Statement.—A list of resources and liabilities; a report of an agent's transactions sent to his principal; a list showing the dates and amounts of the debits and credits of a Ledger account for a month, quarter, or other period of time.

Stockholder.—One who owns shares in a joint-stock company or corporation.

Stocks.—Shares in joint-stock companies and corporations.

Storage.—Charges for the use of a warehouse.

Suspense Account.—An account employed to contain balances of personal accounts that may be considered doubtful.

Tare.—A deduction for the weight of boxes, crates, or barrels.

Terms.—The conditions of a sale as to time and kind of payment.

Terms Cash.—Generally understood to mean that goods are to be paid for as soon as they have been received and inspected.

Time Draft.—A draft maturing at a future specified time.

Trade Discount.—A discount or series of discounts from list prices, made to dealers or because of a change in prices.

Ultimo.—Last month.

Value Received.—A phrase of formality used in notes to indicate that a consideration has been given.

Voucher.—Such papers or documents as prove the truth of accounts; thus, a receipt is a voucher for the payment of money.

Way Bill.—A document containing a list of goods sent by railroad.

Wholesale.—(To sell whole.) To sell goods in large quantities, usually in unbroken packages.

COMMERCIAL ABBREVIATIONS

7. The following **commercial abbreviations** should be carefully studied. Their use is common and must be understood.

A 1 . . . . . First Class
A. or ans. . . . . Answer
acct. . . . . Account
acct. cur. . . . . Account Current
acct. sales . . . . . Account Sales
A. D. . . . . In the Year of Our Lord
ad. . . . . Advertisement
Agt. . . . . Agent
Ala. . . . . Alabama
Alas. . . . . Alaska Territory
Alb. . . . . Alberta Territory
A. M. . . Before Noon; Master of Arts; In the Year of the World
Am. or Amer. . . . American; America
amt. . . . . Amount
Apr. . . . . April
art. . . . . Article
Ariz. . . . . Arizona
Ark. . . . . Arkansas
ass'd or as'd . . . . . Assorted
Assin. . . . . Assiniboia Territory
ass'md . . . . . Assumed
Ass't . . . . . Assistant
Atty . . . . . Attorney
Aug. . . . . August
bal. . . . . Balance
bbl. . . . . Barrel
B. B. . . . . Bill Book; Bank Book
B. C. . . . . British Columbia
bdls. . . . . Bundles
b. of e. . . . . Bill of Exchange
bgs. . . . . Bags
bk. . . . . Bank or Book
bkts. . . . . Baskets
b. of l. . . . . Bill of Lading
bls. . . . . Bales
bot. . . . . Bought
B. Pay. . . . . Bills Payable
bro't. . . . . Brought
B. Rec. . . . . Bills Receivable
B. Ren'd. . . . . Bill Rendered
bu. or bush. . . . . Bushel
bxs. . . . . Boxes
Cal. . . . . California; Calendar
C. B. . . . . Cash Book
c. or cts. . . . . Cents
chgs. . . . . Charges
chts. . . . . Chests
c. i. f. . . . Cost, Insurance, and Freight
ck. . . . . Check
cks. . . . . Casks; Checks
Co. . . . . Company; County
C. O. D. . . Cash (or Collect) on Delivery
Coll. . . . . Collector
Colo. . . . . Colorado
Com. . . Commission; Commerce; Committee
Com'l. . . . . Commercial
Conn. . . . . Connecticut
Cons'd. . . . . Consigned
Cons't. . . . . Consignment
Cr. . . . . Credit; Creditor
C. S. B. . . . . Commission Sales Book
ctg. . . . . Cartage
cwt. . . . . Hundredweight
D. B. . . . . Day Book
D. C. . . . . District of Columbia
Dec. . . . . December
Dep. . . . . Deposit; Deputy
Del. . . . . Delaware
Dep't. . . . . Department; Deponent
Deg. . . . . Degree
dft. . . . . Draft; Defendant
Disc't. . . . . Discount
div. . . . . Dividend
do. or ditto . . . . . The Same
Dr. . . . . Doctor; Debtor
ds. . . . . Days
Ea. or ea. . . . . Each
Ed. . . . . Editor; Edition
E. E. . . . . Errors Excepted
E. & O. E. . . Errors and Omissions Excepted
e. g. . . . . For Example
Ent. . . . . Entry
Ent'd. . . . . Entered
et al. . . . . And Others
etc. or &c. . . And Others; And So Forth
Exch. . . . . Exchange
ex. . . . . Express
exp. . . . . Export; Exporter; Expense
Feb. . . . . February
fig'd. . . . . Figured
Fla. . . . . Florida
f. o. b. . . . . Free on Board
fo'd. or f'd. . . . . Forward
Fri. . . . . Friday
Frt. . . . . Freight

COMMERCIAL ABBREVIATIONS—(Continued)

Ft. . . . . . Fort
ft. . . . . . Foot; Feet
Ga. . . . . . Georgia
gal. . . . . . Gallon
G. O. . . . . . General Order
g. gr. . . . . . Great Gross
gr. or gro. . . . . . Gross
Hawaii . . . . . Hawaii Territory
hdkf. . . . . . Handkerchief
hhd. . . . . . Hogshead
Ia. . . . . . Iowa
I. B. . . . . . Invoice Book
id. . . . . . The Same
Ill. . . . . . Illinois
in. . . . . . Inch; Inches
Incor. . . . . . Incorporated
Ind. . . Indiana; India; Indian; Index; Indorse
Ins. . . . . . Insurance
Inst. . . . . . Instant (this month)
int. . . . . . Interest
inv. . . . . . Invoice
Inv't. . . . . . Inventory
I. O. U. . . . I owe you (an acknowledgment of indebtedness)
J. . . . . . Judge; Justice
J. or jour. . . . . . Journal
Jan. . . . . . January
J. D. B. . . . . . Journal Day Book
J. F. . . . . . Journal Folio
J. P. . . . Justice of the Peace; Journal Page
Ju. . . . . . June
Jul. . . . . . July
Kans. . . . . . Kansas
Ky. . . . . . Kentucky
L. . . . . . Ledger; Latin; Fifty
lb. . . . . . Pound
La. . . . . . Louisiana
lab. . . . . . Labor
L. B. . . . . . Letter Book
L. F. . . . . . Ledger Folio
L. P. . . . . . Ledger Page
L. T. . . . . . Ledger Title
Man. . . . . . Manitoba
man'f. . . . Manufacture; Manufactory
Mar. . . . . . Maritime
Mch. . . . . . March
Mass. . . . . . Massachusetts
M. C. . . . . . Member of Congress
Md. . . . . . Maryland
mdse. . . . . . Merchandise
Me. . . . . . Maine
Mem. . . . . . Memorandum
Messrs. or MM. . . . . Gentlemen; Sirs
Mem. B. . . . . . Memorandum Book
Mex. . . . . . Mexico
mfd. . . . . . Manufactured
mfg. . . . . . Manufacturing
Mfst. . . . . . Manifest
mfr. . . . . . Manufacturer
Mich. . . . . . Michigan
Minn. . . . . . Minnesota
Miss. . . . . . Mississippi
Mme. . . . . . Madam
Mmes. . . . . . Mesdames
Mo. . . . . . Missouri
Mo. or mo. . . . . . Month
Mols. . . . . . Molasses
Mon. . . . . . Monday
Mont. . . . . . Montana
Mr. . . . . . Master; Mister
Mrs. . . . . . Mistress; Missis
Mtg. . . . . . Mortgage
MS. . . . . . Manuscript
Mut. . . . . . Mutual
N. A. . . New Account; North America
Nat. or Nat'l . . . . . National
N. B. . . Take Notice; New Brunswick
N. C. . . . North Carolina; Net Capital
N. Dak. . . . . . North Dakota
N. E. . . . . . New England
Nebr. . . . . . Nebraska
Nev. . . . . . Nevada
N. F. . . . . . Newfoundland
N. H. . . . . . New Hampshire
N. J. . . . . . New Jersey
N. L. . . . . . Net Loss
N. Mex. . . . . . New Mexico
No. . . . . . Number
Nov. . . . . . November
N. P. . . . Notary Public; Net Proceeds
N. S. . . . . . Nova Scotia
N. Y. . . . . . New York
N. W. T. . . . . Northwest Territories
O. . . . . . Old; Ohio
O. A. . . . . . Old Account
O. B. . . . . . Order Book
Oct. . . . . . October
O. K. . . . . . All Correct (Oll Korrect)
Okla. . . . . . Oklahoma
O. I. B. . . . . . Outward Invoice Book
Ont. . . . . . Ontario
Ore. . . . . . Oregon
p. . . . . . Page
pp. . . . . . Pages
Pa. . . . . . Pennsylvania
pay't or pm't. . . . . . Payment
P. B. . . . . . Pass Book
P. C. B. . . . . . Petty Cash Book

COMMERCIAL ABBREVIATIONS—(Continued)

pce. or pc. . . . . Piece
pd. . . . . Paid
per an. . . . . By the Year
P. E. I. . . . . Prince Edward Island
P. I. . . . . Philippine Islands
pk. . . . . Peck
pkg. . . . . Package
P. M. . . . . Postmaster; Afternoon
P. N. . . . . Postal Note
P. O. D. . . . . Pay on Delivery
P. O. O . . . . . Post-Office Order
pop. . . . . Population
P. R. . . . . Porto Rico
Prem. . . . . Premium
Pro. . . . . Proceeds
prop'r . . . . . Proprietor
prox. . . . . Next Month
P. S. . . . . Postscript
pub. . . . . Publisher
Qr. or qr. . . . . Quarter; Quire
Qt. or qt. . . . . Quart; Quantity
Que. . . . . Quebec
Rec. . . . . Recorder; Recipe
rec'd. . . . . Received
ret'd. . . . . Returned
R. I. . . . . Rhode Island
Reg. . . . . Register
R. R. . . . . Railroad
Ry. . . . . Railway
Sask. . . . . Saskatchewan Territory
Sat. . . . . Saturday
S. B. . . . . Sales Book
S. C. . . South Carolina; Small Capitals
S. Dak. . . . . South Dakota
S. E. . . . . Single Entry; Southeast
sec. . . . . Section; Secretary
Sep or Sept. . . . . September
Shipt. . . . . Shipment
Shs. . . . . Shares
Sig. . . . . Signature
S. S. . . . . Steamship
St. dft. . . . . Sight Draft
Stor. . . . . Storage
Sun. or Sund. . . . . Sunday; Sundries
Supt. . . . . Superintendent
sq. . . . . Square
T. B. . . . . Time Book; Trial Balance
Tenn. . . . . Tennessee
Ter. . . . . Territory
Thurs. . . . . Thursday
Tex. . . . . Texas
Treas. . . . . Treasurer
trans. . . . . Transaction; Translation
Tu. or Tues. . . . . Tuesday
ult. or ulto. . . . . Last Month
U. S. . . . . United States
U. S. A. . . . United States of America; United States Army
U. S. M. . . . . United States Mail
U. S. N. . . . . United States Navy
Va. . . . . Virginia
via . . . . . By way of
Vice-Pres. . . . . Vice-President
Viz. or viz. . . . . Namely; To Wit
vol. . . . . Volume
vs. . . . . Against
Vt. . . . . Vermont
Wash. . . . . Washington
W. B. . . . . Way Bill
Wed. . . . . Wednesday
Wk. . . . . Week
Wis. . . . . Wisconsin
Wt. or wt. . . . . Weight
W. Va. . . . . West Virginia
Wy. . . . . Wyoming
X . . . . . Extra; Ten
XL . . . . . Excel; Forty
XX, XXX . . . . . Double Extra, etc.
Xmas. . . . . Christmas
y. or yr. . . . . Year
Yd. or yds. . . . . Yards

SIGNS AND CHARACTERS

8. The following **signs and characters** are in daily use and should be thoroughly learned:

@ . . . To or At
% . . . Account Current
B/L . . Bill of Lading
B/R . . Bill Rendered
B/S . . Bill of Sale
¢ . . . Cents
c/o . . Care of
D/D . . Days After Date
D/S . . Days After Sight
F/B . . Free on Board
J/A . . Joint Account
L/C . . Letter of Credit

SIGNS AND CHARACTERS—(Continued)

L/M	Letters of Marque	°	Degrees
£	Pounds Sterling	′	Primes; Minutes; Feet
⅊	On Account of Custom	″	Seconds; Inches; also used for Ditto Marks
⅊	Out of Courtesy	1^1	One and one-fourth
%	Per Cent.	1^2	One and one-half
℘	Per	1^3	One and three-fourths
$	Dollars	+	(Plus.) Addition
#	Means Number if written before a figure, as #40; but Pounds if written after, as 40#	−	(Minus.) Subtraction
		×	(By or times.) Multiplication
√	Check-Mark; Radical Sign	÷	(Divided by.) Division
″	(Ditto.) Meaning the same as above	=	(Equality). Equals

BUSINESS FORMS

9. A **deposit slip,** or **deposit ticket,** is a printed form furnished by the banks, so that each depositor may fill out and present, with his Pass Book, a statement of the different items for deposit, such as gold, silver, checks, notes, drafts, etc. If the banker finds the items correct in all respects, he will place their sum to the depositor's credit in his Pass Book and on the books of the bank. Whenever a deposit of currency (gold, silver, or paper money) is to be made, the deposit slip is filled out as shown in Fig. 1.

If checks only are to be deposited, the deposit slip is filled out as shown in Fig. 2. If both currency and checks are to be deposited, the slip is filled out with each in its proper place and the amounts added.

10. **Signature Card.**—When an account is first opened at a bank, the depositor will be asked to sign a **Signature Book,** or **Card,** as shown in Fig. 3. This book or card is used by the bank to keep a record of the address and signature of each of its depositors. In signing, the depositor writes his full name, his address, and his signature as he habitually writes it. The style of signature should never be changed, and all business papers should be signed exactly as the signature is written in the signature book or on the card.

DEPOSITED BY

Warren E. Smith

IN THE

International
Correspondence Schools Bank.

Scranton, Pa., January 1, 190__

	DOLLARS	CENTS
NOTES,	150	—
do. 1's and 2's	50	—
GOLD,	20	—
SILVER,	14	17
CHECKS: (In Scranton, name the Bank; out of town, name the place)	234	17

FIG. 1

DEPOSITED BY

Warren E. Smith

IN THE

International
Correspondence Schools Bank.

Scranton, Pa., January 23, 190__

	DOLLARS	CENTS
NOTES,		
do. 1's and 2's		
GOLD,		
SILVER,		
CHECKS: (In Scranton, name the Bank; out of town, name the place)		
First Nat'l	115	—
Dime Savings	8	—
	123	—

FIG. 2

FROM ADDRESS

Warren E. Smith, 422 Main St.

TO INTERNATIONAL CORRESPONDENCE SCHOOLS BANK, OF SCRANTON, PA.

Below please find duly authorized signature, which you will recognize in the payment of funds or the transaction of other business on my account.

Yours truly,

Warren E. Smith.

BUSINESS INTRODUCED BY

Painting etc. Conrad Schroeder.

DATE

Jan. 1, 190

FIG. 3

International Correspondence Schools Bank *In account with* Warren E. Smith, Dr. Cr.

190					
Jan. 1		234 17		15 —	
3		2 60		22 25	
23		123 —		127 50	
				135 02	
		359 77		359 77	
	Balance	135 02			

FIG. 4

11. Pass Book.—On opening an account with a bank, the depositor is given a **Pass Book,** the two-page form of which is shown in Fig. 4. All entries are made by the bank clerks. The purpose of the book is to give the depositor an exact duplicate of his account as shown by the books of the bank. It should always be taken to the bank when a deposit is made, when papers are left for collection, and when papers are discounted and the proceeds are to be placed to the credit of the depositor. The Pass Book should be balanced at least once a month, being left at the bank for that purpose.

12. Checks.—After a deposit has been made and the amount entered to the credit of the customer in his Pass Book, the bank will then give him a Check-Book. This is a book of blank **checks** and is usually furnished free of charge by the banks. A sheet of checks, with the stubs attached, is shown in Fig. 5. These blanks are so worded that, when they are properly filled out, they become orders on the bank named, payable, on demand and without interest, to the person named, or to his order, or to the bearer.

When it is desired to draw money from the bank, one of these checks is filled out with the date, the name of the person to whom the money is to be paid, and the amount. The check should be signed exactly like the Signature Card. A full description of the check is then made on the *check-stub*, and the check torn off for use.

13. Back of Check-Stubs.—Fig. 6 shows the back of the check-stubs. On this side of the stubs is kept a record of all deposits, and from their sum is deducted the amounts of the checks drawn, as shown by the footing of each page of check-stubs. The balance shows the amount remaining in the bank.

14. Indorsements.—Checks, notes, and drafts are generally made payable to the order of the party receiving them and must be indorsed before they can be deposited or transferred.

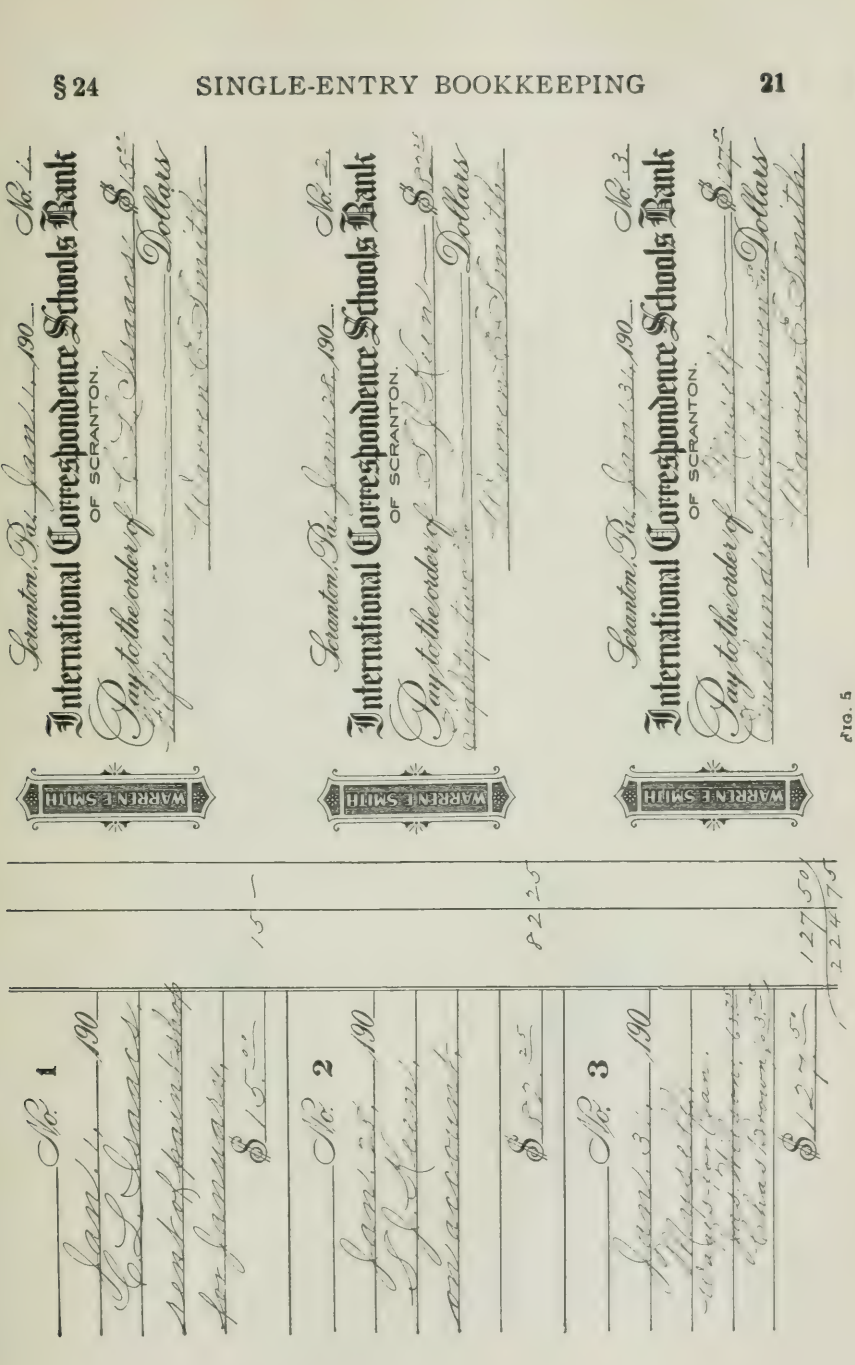

No. 1
No. 2
No. 3
International Correspondence Schools Bank
OF SCRANTON.
Pay to the order of
Dollars
WARREN SMITH

FIG. 5

190				
Jan.	1	Deposited,	234	17
	3	"	2	60
	23	"	123	—
			359	77
		Amt. of checks,	224	75
		Balance in bank,	135	02

FIG. 6

The forms of indorsement in most common use are shown in Fig. 7.

The name only, as shown on the back of the first check, is a blank indorsement. Paper so indorsed by the party in whose favor it is drawn becomes payable to the bearer.

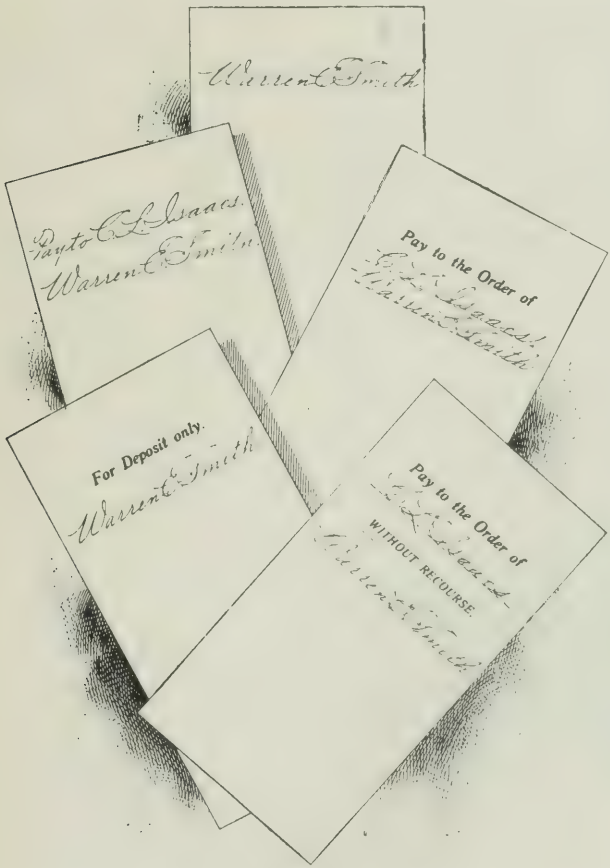


FIG. 7

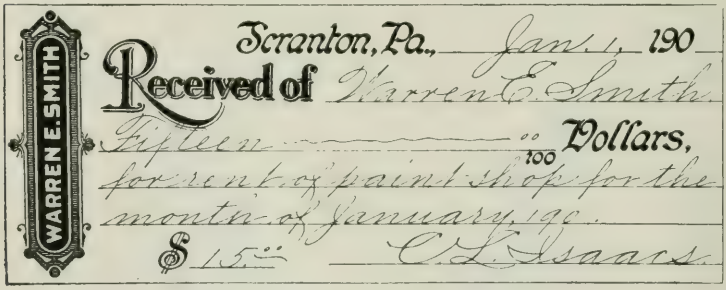
Paper indorsed "Pay to" will be paid only to the party named and cannot be transferred by him, but must be deposited to his account or collected in person.

The indorsement "Pay to the order of" allows a further transfer of the paper by the indorsement of the party named, and thus forms an indirect receipt showing that such a person received the paper.

"For deposit only" is the proper form of indorsement when papers are sent for deposit by mail or messenger, for they cannot then be put to any other use. Frequently, the name of the bank in which they are to be deposited is given, as "For deposit only in the International Correspondence Schools Bank, of Scranton, Pa." Indorsements of this kind are generally made with a rubber stamp, the signature being included in the stamped indorsement.

The indorsement "Pay to the order of" a party "without recourse" releases the indorser from liability in case the paper is not paid. It is seldom used, however, because, except in a very few cases, the holder of a paper must indorse it and assume the liability for his indorsement, or he cannot find any one to whom he can turn over the paper, except for collection.

15. A **receipt** is a written acknowledgment of having received a specified value, with the date, source of value,


WARREN E. SMITH

Scranton, Pa., Jan. 1, 190

Received of Warren E. Smith

Fifteen ..... 00/100 Dollars,

for rent of paint shop for the month of January, 190.

$ 15.00 C. L. Isaacs.

Fig. 8

signature of the party that received the value, and such other particulars as may be necessary to make it plain and unquestionable. A common form is shown in Fig. 8. A receipt or voucher of some description should be taken whenever a payment is made. All receipts or vouchers

should be carefully preserved, as they save disputes, money, trouble, and frequently a lawsuit. A receipt should be so made out that its meaning shall be clearly understood.

JOURNAL-LEDGER

16. The **Journal-Ledger** is a combination of a Journal and a Ledger, in the Journal form of ruling. All debits and credits to an account are entered, in an itemized form, directly in this book.

To open an account, the name of the person is written at the top of the page and the abbreviations Dr. and Cr. over their proper columns; the left-hand column is always debtor and the right-hand column is always creditor. All transactions with the persons are entered in the manner shown in Fig. 9.

In actual work, the Dr. and Cr. are frequently omitted. They are used here to thoroughly familiarize the student

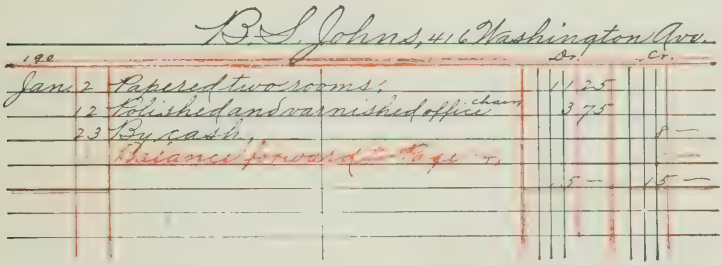


Fig. 9

with the use of the different columns. The vertical black line in the center of the explanation column appears in all Journal ruling. It is not made use of in this case, but will be in the next Section.

In the account shown, the party with whom we are dealing is B. S. Johns. His name, address, and the debit and credit abbreviations appear in their proper places. The two left-hand columns are for the dates, the year being placed above the month, which is in the first and wider column; the day of the month is in the second and narrower column. Both

debit and credit transactions are itemized in the explanation column, which is the wide space between the date columns and the money columns, the credit items being preceded by the word "By." The debit amounts are entered in the first money column and the credit amounts in the second money column.

The difference between the footings of these columns is the balance of the account. If the debit side is the larger, there is a debit balance, and the party owes you that amount; if the credit side is the larger, there is a credit balance, and you owe the party that amount. When an account is settled, we say that it balances. It is then ruled up as shown in Fig. 9. If an account does not balance by being settled before it reaches the bottom of the page, it is balanced in red ink, as shown, so that the amount due may be carried to another page and the account continued as before. The reason for making this balancing entry in red ink is that the entry is not an actual transaction, but is made for convenience and does not affect the account, for the amount due after the entry is made is the same as it was before the account was balanced. In the balancing entry is given the number of the page on which the new account is opened, and in the opening entry of the new account is given the number of the page containing the old account.

17. The **Cash Account** is a record of all cash received and paid out. Any transaction in which cash appears must be entered in the Cash Account. If the transaction affects a personal account, then an entry must be made in the personal account as well as in the Cash Account. In the form of Cash Account shown in Fig. 10, the dates of the transactions are entered on the left-hand side of the page, and a brief explanation of each transaction is written in the explanation column. The first, or left-hand, money column is for the debits, or cash received; the right-hand column is for the credits, or cash paid out. Entering an amount in the debit column debits cash, and entering an amount in the credit column credits cash. The difference between the amounts entered in the columns is called the *balance*.

We can never pay out more cash than is received; therefore, if there is a difference between the columns, the debit column must always be the larger. The balance should agree with the amount of cash on hand.

The entries are made in the order of their occurrence, no matter whether debit or credit. When a page has been filled, the account should be footed, the footings carried forward to another page, and the work continued as before. Frequent tests should be made to see whether or not the cash on hand agrees with the balance shown by the cash account. At the end of the month the account should be balanced and ruled, as shown in Fig. 10.

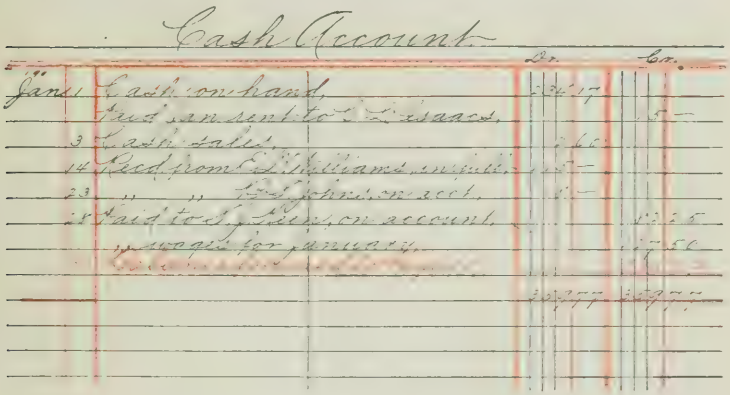


Fig. 10

Modern bookkeepers do not use ditto marks under dates, it being understood that the entries are of the same date until changed.

In amounts where there are no cents, it is good practice to place a dash in the cents column, as shown in the illustration. A dash is more quickly made than two ciphers and is more easily passed over in adding. If the cents column is left blank, there is nothing to show that it is intentional and not an error.

18. Ruling Up Accounts.—In order that the pages shall present a neat appearance when accounts are balanced

and ruled up, special care should be taken to have all lines begin and end at the desired points, as shown in Fig. 11.

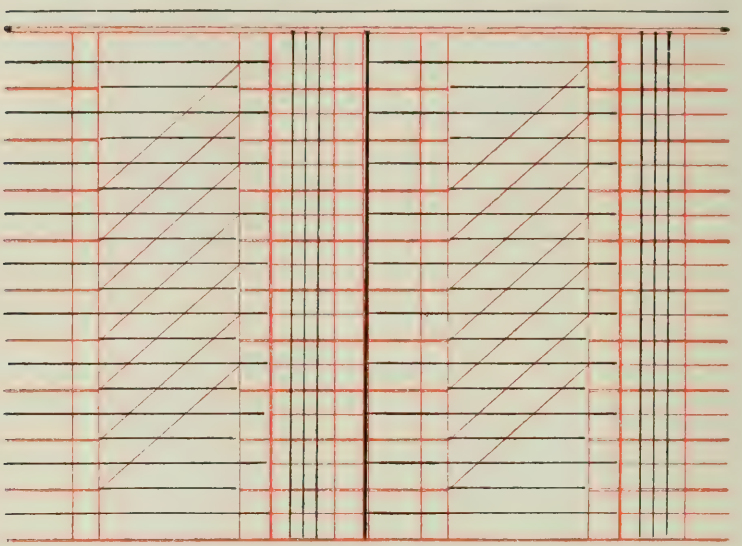


Fig. 11

To get lines of a uniform width, the pen must not be overloaded or used until the ink gives out in the middle of a line, making it necessary to retrace. If, however, this must

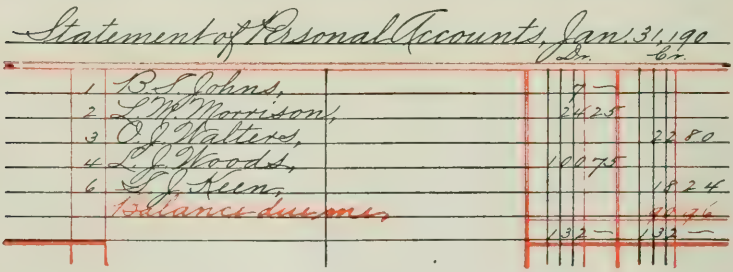


Fig. 12

be done, care should be exercised not to increase the width of the line by ruling a little to one side of it.

19. Statement of Personal Accounts.—It is customary with business men, at the end of each month, to go

through the Journal-Ledger and draw off a **Statement of Personal Accounts.** Such a statement is shown in Fig. 12. This is done that they may have, at regular intervals, an itemized statement showing who owes them and how much, and also who and how much they owe.

MODEL SET

20. Method for a Small Business.—In this **Model Set** but one book, a Journal-Ledger, will be kept. This book is well adapted for a small business, such as that of a carpenter, blacksmith, cabinetmaker, plumber, painter, etc., and is much used. The various transactions are entered in the Cash Account and in the accounts of the persons dealt with, as shown in the illustrations.

The following transactions from the business of a painter will be used for the Model Set. This painter is a general workman who is able to do all kinds of house, sign, carriage, and ornamental painting; also, paper hanging and glazing. For the convenience of those who wish to do their own work in this line, the painter has for sale paints, brushes, and other supplies and materials.

TRANSACTIONS

SCRANTON, PA., JANUARY 1, 190

I, Warren E. Smith, begin business today, at 422 Main St., with cash on hand, $234.17.

Enter in cash account.
Make out deposit slip.
Deposit in bank.
Enter on back of check-stubs.

—— 1 ——

Paid January rent, $15.00.

Make out a check in favor of C. L. Isaacs.
Make out a receipt and have Isaacs sign it.
Enter in cash account.

—2—

Papered two rooms for B. S. Johns, 416 Washington Ave., on account, $11.25.

Enter in Journal-Ledger.

—3—

Sold Paint for cash, $2.60.

Enter in cash account.

Deposit in bank.

Enter on back of check-stubs.

—5—

Stained and varnished dining room for L. M. Morrison, 720 Monroe Ave., on account, $7.25.

Enter in Journal-Ledger.

—6—

Bought Canvas for signs, from O. J. Walters, 1341 Olive St., on account, $9.00.

Journal-Ledger.

—7—

Painted porch for L. J. Woods, 212 Adams Ave., on account, $4.50.

Journal-Ledger.

—8—

Painted house for E. D. Williams, 721 Pine St., on account, $115.00.

Journal-Ledger.

—9—

Bought Lead and Oil from S. J. Keen, 819 Vine St., on account, $82.25.

Journal-Ledger.

—10—

Varnished carriage for L. M. Morrison, on account, $6.00.

Journal-Ledger.

—12—

Polished and varnished office chair for B. S. Johns, on account, $3.75.

Journal-Ledger.

—— 14 ——

Received cash from E. D. Williams, in full of account, $115.00.

Enter in cash account.

Enter in Williams's account.

Hold this check until your are told to make a deposit.

—— 15 ——

Bought a Show Case from O. J. Walters, on account, $15.00.

Journal-Ledger.

—— 16 ——

Bought Supplies from S. J. Keen, on account, $18.24.

Journal-Ledger.

—— 19 ——

Painted two wagons for L. M. Morrison, on account, $11.00.

Journal-Ledger.

—— 21 ——

Sold to O. J. Walters, on account,

5 lb. Paint,	.20	1.00
1 small Brush,		.20

Journal-Ledger.

—— 23 ——

Received cash from B. S. Johns, on account, $8.00.

Enter in cash account.

Enter in Johns's account.

Make out deposit slip for this check and for the check received from E. D. Williams.

Deposit.

Enter on back of check-stubs.

—— 26 ——

Lettered a window for L. J. Woods, on account, $6.25.

Journal-Ledger.

—— 28 ——

Painted house for L. J. Woods. on account, $90.00.

Journal-Ledger.

—— 28 ——

Paid S. J. Keen, on account, $82.25.

Make out check.

Enter in cash account.

Enter in Keen's account.

—— 31 ——

Paid wages for January, $127.50.

Make out check to the order of "Myself"; draw money from the bank; get the right change to pay two men $63.75 each.

Enter in cash account.

—— 31 ——

Balance cash account.

Add the amounts on the check-stubs and deduct from the sum of the deposits on the back of the check-stubs.

Compare this balance with the balance shown by the cash account.

Make a Statement of Personal Accounts.

Balance and rule the accounts.

JOURNAL-LEDGER

B. S. Johns, 416 Washington Ave.

190			Dr.	Cr.
Jan.	2	Papered two rooms,	11 25	
	12	Polished and varnished office chairs	3 75	
	23	By cash,		8 —
		Balance forward to Dr.		6 —
			15 —	15 —

L. M. Morrison, 720 Monroe Ave.

190			Dr.	Cr.
Jan.	5	Stained & varnished dining room	7 25	
	10	Varnished carriage,	6 —	
	19	Painted two wagons,	11 —	
		Balance,		24 25
			24 25	24 25

O. J. Walters, 1341 Olive St.

190				Dr.	Cr.
Jan.	6	By Canvas for signs,			9 —
	15	" Show Cases,			15 —
	21	5 lb. Paint,	.20,	1 —	
		1 Small Brush,		20	
		Balance			
				24 —	24 —

L. J. Woods, 212 Adams Ave.

19—			Dr.	Cr.
Jan. 7	Painted porch,		4 50	
26	Lettered window,		6 25	
28	Painted house,		90 —	
	Balance,			100 75
			100 75	100 75

E. D. Williams, 721 Pine St.

19—			Dr.	Cr.
Jan. 8	Painted house,		115 —	
14	By cash,			115 —

S. J. Keen, 819 Vine St.

19—			Dr.	Cr.
Jan. 9	By Lead and Oil,			82 25
16	" Supplies,			18 24
28	Paid cash,		82 25	
	Balance,		82 24	
			100 49	100 49

Cash Account

			Dr.	Cr.
Jan.	1	Cash on hand,	234 17	
		Paid Jan. rent to C. L. Isaacs,		15 —
	3	Cash sales,	2 60	
	14	Rec'd from E. P. Williams in full,	1 05 —	
	23	" " B. S. Johns, on acct.	5 —	
	28	Paid to S. J. Keen, on account,		82 25
		" wages for January,		12 50
	1	Balance forward to Dr. side,		147 22
			242 77	242 77

Statement of Personal Accounts, Jan. 31, 190

			Dr.	Cr.
	1	B. S. Johns,	7 —	
	2	L. M. Morrison,	24 25	
	3	O. J. Walters,		20 80
	4	L. J. Woods,	100 75	
	6	S. J. Keen,		82 4
		Balance due me,		147 22
			132 —	132 —

SINGLE-ENTRY BOOKKEEPING

(PART 2)

GROCERY BUSINESS

PRELIMINARY REMARKS

1. Books Used.—In this Section we shall use a Journal, Cash Book, Banking Ledger, Notes and Drafts Book, a Ledger, and some business forms not given in the previous Section.

The Model Set clearly shows how the different books are written up and how the transactions are handled. The various papers are drawn to agree with some one of the transactions, and illustrate the methods in present use. Any one who will follow the instructions and work through the Model Set will get a good knowledge of how such books are kept and will be able to handle a similar set in actual work.

BUSINESS FORMS

2. An **invoice,** or **bill,** is an itemized statement of the names, quantities, prices, and amounts of articles sold by one person to another, with the date of the sale, terms, discount allowed, if any, etc. It should be made out in a clear and comprehensive manner and itemized so that a person of ordinary intelligence can check up the bill in detail and tell exactly what articles and values it represents. Care should be taken to have the writing and the figures plain, so that no mistakes will occur in reading them. The characters @ and $ need not be used in making out bills; they are unnecessary

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to a clear understanding of the bill, and take up valuable space and time. The use of the different columns and rulings on an ordinary bill head are fully illustrated in Fig. 1 and are self-explanatory.

All invoices, statements, etc., when paid, should be receipted, either with a rubber stamp, as shown in Fig. 1, or in a small, neat style of writing on the next or second line below the last item, and not across the face of the bill, unless absolutely necessary on account of lack of space. In all cases of part payment, only the amount paid should be entered on the bill or statement.

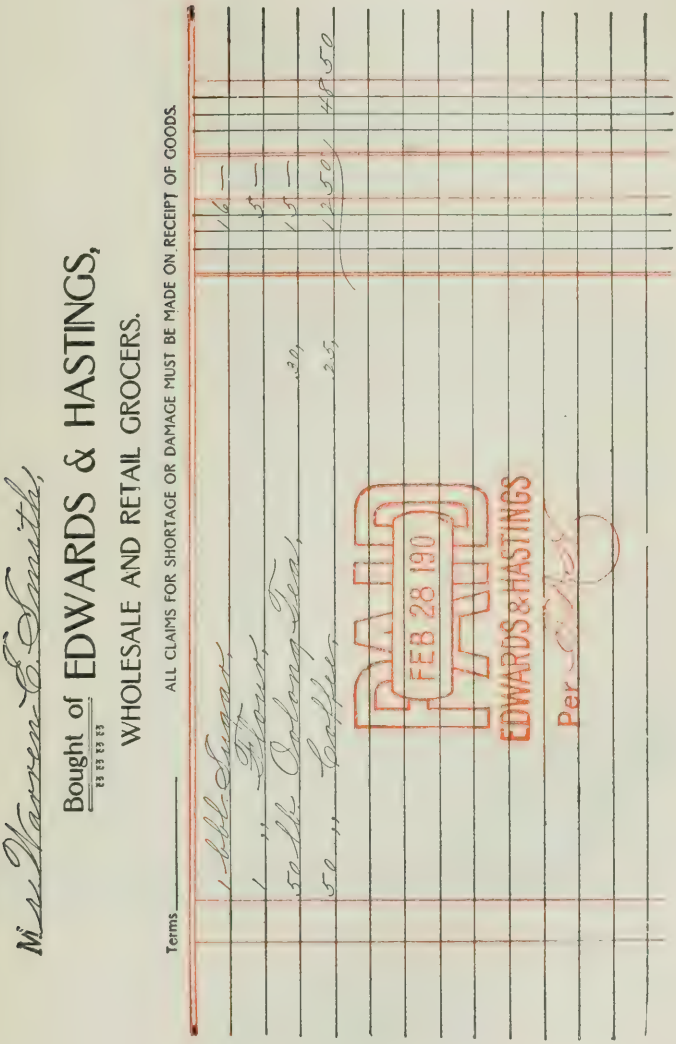
3. A bill and an invoice are really the same, but, for convenience, we shall use the term *invoice* to designate bills of goods bought, and the term *bill* to designate the invoices of goods sold. An illustration of a bill is shown in Fig. 2.

4. Padded Checks.—In this Section we will show the use of checks put up in pads (see Fig. 3), instead of a Check-Book as in the previous Section, and keep the account of the deposits and withdrawals in a Banking Ledger instead of in the Check-Book.

The checks are similar to those in a Check-Book, and should be numbered consecutively.

5. A **certified check** is an ordinary check that has been certified by the cashier or teller of the bank on which it has been drawn; that is, he has stamped or written across the face—usually in red ink—the word *Certified*, the date, and his signature. Such a check is shown in Fig. 4. The certifying of a check makes the bank, and not the person who drew it, responsible for its payment. The principal reason for having a check certified is that the person receiving it will have a guarantee that it shall be paid.

6. Notes.—A **promissory note** is an absolute promise, in writing, to pay on a certain date, or on demand, a specified sum of money to a person named therein, or to his order, or to the bearer, and signed by the maker. Fig. 5



Mrs Warren & Smith,

New York, Feb 4 190

Bought of EDWARDS & HASTINGS,

WHOLESALE AND RETAIL GROCERS.

Terms

ALL CLAIMS FOR SHORTAGE OR DAMAGE MUST BE MADE ON RECEIPT OF GOODS.

1	Bbl Sugar	16 —
1 "	Flour	5 —
50 lb	Oatmeal	1 50
50 "	Coffee	12 50
		45 00

FEB 28 190

EDWARDS & HASTINGS

Per

FIG 1

Scranton, Pa., Feb 21, 190__

Mr. Martin Handley,

Bought of **WARREN E. SMITH,**

Wholesale Grocer.

Terms _____ All Claims for Shortage or Damage Must be Made on Receipt of Goods.

3 gal. Molasses,	.50,	1 50	
1 " Vinegar,		28	
102 lb. Sugar,		6 —	
20 " Coffee,	.25,	5 —	12 78

RECEIVED PAYMENT
FEB 24 190_
WARREN E. SMITH

FIG. 2

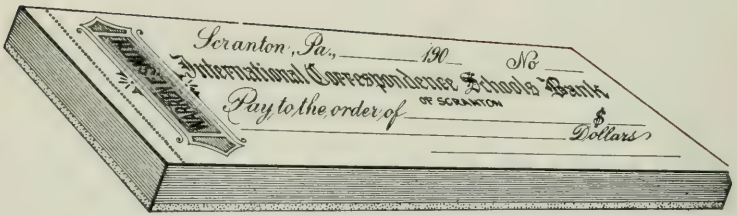


FIG. 3

Scranton, Pa., Feb. 16, 190_. No 3.

International Correspondence Schools Bank

OF SCRANTON.

Pay to the order of Edward S. Hastings $25.00/100 Dollars

Twenty-five and no/100

Warren E. Smith

FIG. 4

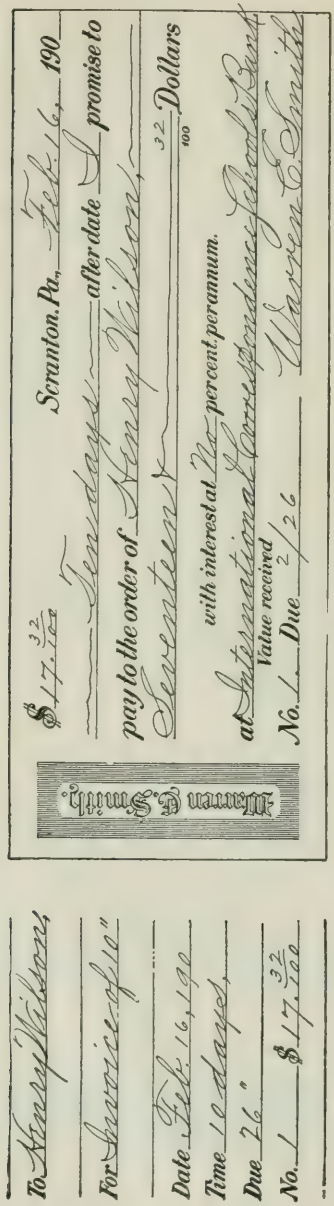

To Henry Wilson,
For Invoice of 1/10"
Date Feb. 16, 190
Time 10 days,
Due 26 "
No. 1 $17.32/100
$17.32/100
Ten days after date I promise to
pay to the order of Henry Wilson,
Seventeen 32/100 Dollars
with interest at Six percent per annum.
at International Correspondence Schools, Scranton
Value received
No. 1 Due 2/26
Warren E. Smith
Scranton, Pa., Feb. 16, 190
Warren E. Smith.

FIG. 5

shows the form of note most generally used. The manner of recording it is shown in the Notes and Drafts Book of the Model Set.

There are also notes signed by more than one party, called *joint notes* and *joint-and-several notes.*

A **joint note** reads, "We jointly promise to pay." It is supposed that each party has been equally benefited; hence, in the case of two makers of a note, only one-half of a note can be collected from each.

United States of America.

STATE OF PENNSYLVANIA,
CITY OF SCRANTON, SS.:

BE IT KNOWN, That on the day and date hereof, at the request of the **International Correspondence Schools Bank,** of Scranton, Pa., the holder of the _____ hereto attached, I, ALBERT L. WATSON, NOTARY PUBLIC FOR THE COMMONWEALTH OF PENNSYLVANIA, by lawful authority duly commissioned and sworn, residing in the City of Scranton, Lackawanna County, presented the same,

at the bank where payable, to _____

the _____ and demanded payment thereof, which was refused and answer made—

WHEREUPON, I, the said Notary, at the request aforesaid, and do hereby solemnly protest against all persons and every party concerned therein, whether as Maker, Drawer, Drawee, Accepter, Payer, Endorser, Guarantor, Surety, or otherwise howsoever, against whom it is proper to protest, for all Exchanges, Costs, Damages and Interests, suffered and to be suffered for want of payment _____ thereof, of all which I notified the Makers and Endorsers

Witness my hand and official seal, this _____

day of _____ 190

_____ *Notary Public.*

FIG. 6

A **joint-and-several note** reads, "We jointly and severally promise to pay." In this form of note the makers are united in the obligation and the payee can collect from all the makers together, or the entire face of the note from any one of them, if he is worth that amount.

To be transferable, or negotiable as it is called, notes

must be drawn payable "to the order of" or "to bearer." Any paper drawn payable only to a certain person cannot be transferred.

The best method of collecting notes and accepted time drafts is to deposit them in the bank a few days before they are due and let the bank handle them; it is a part of their business, and their charge to customers for this service is usually but little or nothing.

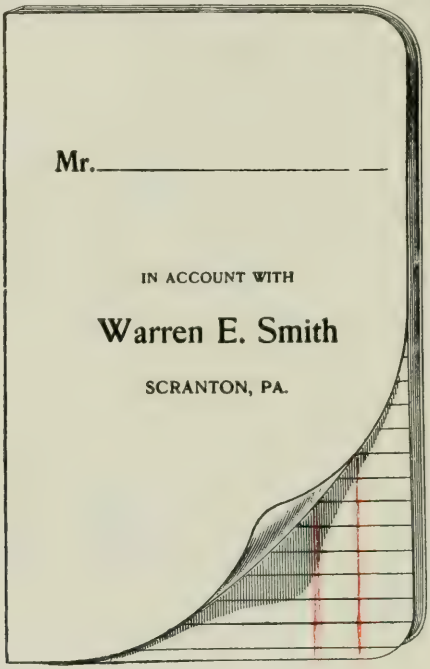


Fig. 7

7. Protest.—Notes having indorsers, and not paid when due, must be protested for non-payment; otherwise, in some states, the indorsers are released. **Protesting a note** is giving formal notice by the holder to the maker and indorsers, through a Notary Public, of its having been presented for payment and payment having been refused. A common form of such a notice is shown in Fig. 6.

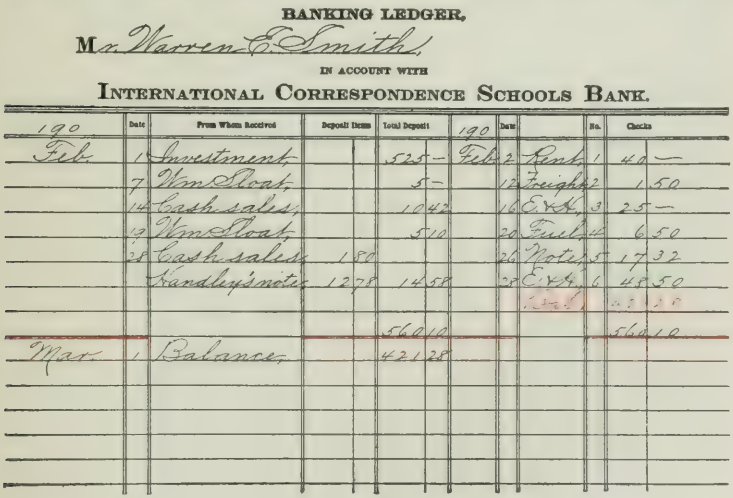
8. Customer's Pass Book.—Customers that have accounts at a store like to have some record of the goods they buy, and the prices and amounts. For this reason, a storekeeper furnishes each customer with a **Pass Book,** in which is entered each purchase and payment. The form of this book is shown in Fig. 7.

A customer is expected to bring his Pass Book with him when making purchases or payments; but if this is not done, the storekeeper will write it up weekly or monthly from his books. The items and amounts in the customer's Pass Book should agree with those in the storekeeper's Ledger.

BOOKS

BANKING LEDGER

9. A Banking Ledger is a book in which is kept the account with a bank, the deposits being entered on the



BANKING LEDGER.

Mr Warren E. Smith,

IN ACCOUNT WITH

INTERNATIONAL CORRESPONDENCE SCHOOLS BANK.

190	Date	From Whom Received	Deposit Items		Total Deposit		190	Date		No.	Checks	
Feb.	1	Investment			525	—	Feb.	2	Rent	1	40	—
	7	Wm Sloat			5	—		12	Freight	2	1	50
	14	Cash sales			10	42		16	E. & K.	3	25	—
	19	Wm Sloat			5	10		20	Fuel	4	6	50
	28	Cash sales	1	80				26	Notes	5	17	32
		Handley's notes	12	75	14	55		28	E. & K.	6	48	50
									Bal.		421	28
					560	10					560	10
Mar.	1	Balance			421	28						

FIG. 8

debit side and the withdrawals on the credit side, as shown in Fig. 8. The Date column on the debit side is for the dates when the deposits are made, not for the dates of the

checks. If but one check is deposited, the amount should be written in the Total Deposit column; if two or more are deposited on the same day, the amount of each check should be written in the Deposit Items column and the total amount for the day extended to the Total Deposit column. The names of those from whom the checks are received should be written in the column headed From Whom Received. Each check is entered at the time of drawing it, and its date, number, and amount given in the proper columns.

10. When it is desired to compare the cash balance shown by the Cash Book with that shown by the Banking Ledger, the debit side of the Banking Ledger, which contains all the deposits, is first added up; then the credit side, which contains all the checks drawn. If the debit side is the larger, the difference between it and the credit side will be the balance on deposit. If all the money is on deposit, the balance should be the same as that of the Cash Book; if all the money is not on deposit, the amount on hand is added to the Banking-Ledger balance, and this sum should agree with the balance shown by the Cash Book.

Under proper management, the credit side of the Banking Ledger will not be the larger; but in case it is, the difference between it and the debit side will be the amount that the bank account has been overdrawn.

11. When it is desired to close and rule up the Banking Ledger, the balance is found as stated; the balances of the Banking Ledger and Cash Book must agree, but the footings may or may not agree. If the debit side of the Banking Ledger is larger than the credit side, the difference between them is entered on the credit side, underneath the last check entered, and the account is ruled up as shown.

12. The balance shown by the bank Pass Book should agree with the cash balance, provided all checks drawn have been presented for payment. If all checks drawn have not been turned in, then the balance as shown by the bank's books will be the larger by the amount of those checks drawn but not returned by the bank as having been paid.

NOTES AND DRAFTS BOOK

13. A **Notes and Drafts Book** is a memorandum book in which is kept a record of all notes and drafts payable and receivable. Any written promise to pay, such as a due bill or an order, may be treated as a note; if it has been given, it is a *note payable;* if it has been received, it is a *note receivable.* This book is not usually posted from, but is generally kept as an auxiliary book.

The Notes and Drafts Book shown in the Model Set illustrates a form much used.

JOURNAL

14. All **Journals** have the same form of ruling and can be used for either single or double entry, the single-entry Journal being distinguished by the form of the entry and the use of the abbreviations Dr. and Cr. to indicate whether a person is charged or credited.

Every transaction that affects a personal account must be entered in the Journal or in the Cash Book and from there posted to the Ledger. The transactions that affect a personal account through the medium of cash must be entered in the Cash Book, but all others are entered in the Journal.

The form and arrangement of the different parts of a Journal entry are illustrated in Fig. 9. The figures in the narrow column at the left of the page are the numbers of the Ledger pages to which entries have been posted. When, in the opening entry or elsewhere, there appears a part of an entry that it is not desired to post to the Ledger, it is indicated by a check-mark, as shown before the word "Cash" in the opening entry of this illustration.

The wide column between the folio and the money columns is for the detailed explanation of a transaction. The purpose of the vertical center line through the explanation column is chiefly to serve as a guide in placing the dates in a vertical line. The left-hand money column is for the debit amounts, and the right-hand column for the credit amounts.

1

Scranton Pa., February 1, 190

I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., in a store rented from C. L. Isaacs at $40 a month, payable in advance.

My resources and liabilities, and net investment are as follows:

1	Cash on hand,				525	—					
2	James Ely, 312 Madison Ave., Dr.				90	—					
3	William Sloat, 920 Mifflin " "				10	—					
4	Angus Brown, 625 Carbon St. "				25	—					
	These parties owe me as above										
5	Edwards & Hastings, 520 Bateman St., N.Y., Co.								25	—	
6	Gilmore & Co., 229 Ann St., N.Y., "								50	—	
	I owe these parties as above										
1	Warren E. Smith, net investment								575	—	
	4										
5	Edwards & Hastings, Cr.										
	Bought from them on account										
	1 bbl. Sugar,			16	—						
	1 " Flour,			5	—						
	50 lb. Oolong Tea,	30,	15	—							
	50 " Coffee,	25,	12	50					48	50	
	5										
6	Gilmore & Co., Cr.										
	1 case Canned Corn,		2.40								
	1 " " Peas,		2.40						4	80	
	6										
7	Martin Horn, 816 So. Washington Ave., Dr.										
	17 lb. Sugar,			—							
	25 " Flour,	.03,	.75				1	75			
	8										
6	Gilmore & Co., Cr.										
	1 case Canned Tomatoes,		1.44								
	3 doz. glasses Jelly,		2.52						3	96	
	10										
8	Warren Harvey, 316 Quincy Ave., Dr.										
	1 lb. Coffee,			40							
	1 can Cocoa,			15				55			

FIG. 9

CASH BOOK

15. A **Cash Book** is a book in which is kept an account of all money received and paid out, and usually this is the only account kept with Cash. The manner of entering the transactions is very simple and readily understood by a study of the Cash Book shown in Fig. 10. The first column is for the date, the narrow column for the page of the Ledger to which the item has been posted, and the wide column for the entry and explanation. More than one line may be used for

1

Cash.

Feb. 1	✓	Amount on hand,	525 —	
2	✓	Paid one month's store rent,		40 —
7	3	Jim Sloat, paid me on acct.,	5 —	
11	✓	Paid freight,		1 50
	✓	Cash sales,	142	
14	✓	" "	9 —	
16	5	Edwards & Hastings pd. them on acct.		25 —
19	3	Jim Sloat, paid me in full,	5 10	
20	✓	Paid for fuel,		6 50
25	✓	Cash sales,	180	
26	✓	Paid my note, favor of Henry Wilson,		17 32
28	✓	Rec'd cash for Martin Handley's note,	12 75	
	5	Edwards & Hastings, pd. them in full,		48 50
		C. Parker		
			560 10	560 10

Fig. 10

the explanation if necessary, but it should be made as brief as clearness will allow. The two money columns are for the debit and credit amounts. When cash is received, it is entered in the debit, or left-hand, column; when it is paid out, in the credit, or right-hand, column. If the book is correctly kept, the debit column will always be the larger, except in the case of overdrawing the bank account, and the difference between it and the credit column shows, at any time, the exact amount of money on hand. This difference, or balance, is proved as correct or not by comparing it with

the amount of money on hand belonging to the business, including the amount on deposit. This proving is called *balancing Cash*, and should, without exception, be performed daily. By doing so, any omitted entry will be brought to notice before the circumstances connected with it are forgotten; this not only saves trouble, but often the bookkeeper's situation.

16. Closing.—To **close** the Cash Book, the debit and credit columns are footed up and the credit footing subtracted from the debit. The debit footing is the sum of the cash received during the month plus the amount on hand at the beginning; the difference between the footings is the amount on hand. This is proved as already explained; then the balance is written in red ink on the credit side, the account ruled, and the balance brought down on the debit side in black ink, as the amount on hand. The Banking Ledger is always balanced at the same time as the Cash Book.

The Cash Balance goes direct into the Statement of the Business without posting to the Ledger. It is not necessary to balance the Cash Book every time the cash is balanced, nor even at the bottom of each page; the page footings can be carried forward and the account balanced at the end of the month.

The entries in the Cash Book that affect personal accounts are posted to the Ledger the same as from the Journal. The entries not to be posted—that is, those that do not affect personal accounts—are first checked off as shown; then the other entries are posted and the numbers of the Ledger pages entered in the narrow column.

LEDGER

17. The **Ledger** is a book of accounts. It shows the final summing up of all the transactions and the standing of all accounts. The form of ruling for a Ledger page is shown in Fig. 11. The left-hand side is for the debit items and the right-hand side for the credit items, with columns for the date,

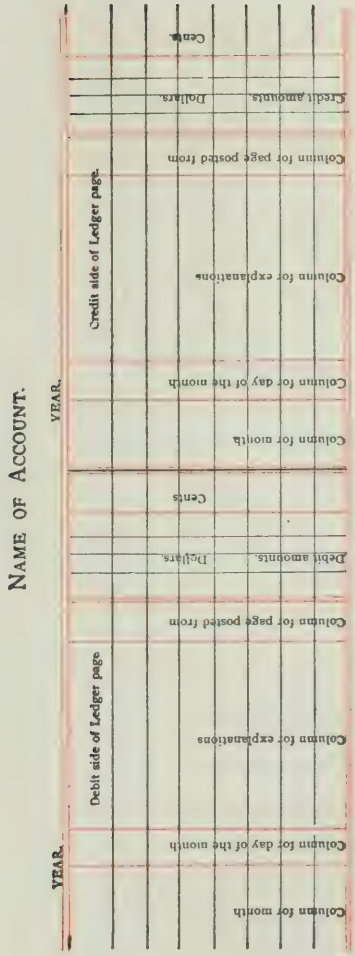

NAME OF ACCOUNT.
YEAR.
Debit side of Ledger page.
Column for month
Column for day of the month
Column for explanations
Column for page posted from
Debit amounts.
Dollars.
Cents
YEAR.
Credit side of Ledger page.
Column for month
Column for day of the month
Column for explanations
Column for page posted from
Credit amounts.
Dollars.
Cents

FIG. 11

explanation, and the pages of the books from which the items are posted. All the items affecting an account are thus collected under one head, and the account shows not only how much is due but also how much business, both debit and credit, has been done on that account.

In some offices, a copy of the items of each transaction is made in the explanation column. This necessitates considerable extra work, and it is doubtful whether the time saved in making out statements is enough to make it advisable to do this with all entries. It is sometimes best, however, to have some explanation in the Ledger regarding certain entries; in all such cases the explanation column should be used freely.

18. The **indexing** of the Ledger means the writing of the names of all those whose accounts appear in the Ledger, in alphabetical order, in an **Index Book**, or on the first pages of the Ledger, which are especially arranged for that purpose, by allotting a page or a number of pages to each letter of the alphabet. Small Ledgers are sometimes indexed by printing two or more letters on the same page or in the same index column. All the accounts the names of which begin with A should be placed in the index under the letter A, and all that begin with B should be placed under B, and so on through the entire alphabet. The names of individuals are indexed under the initial of the surname; the names of firms under the initial of the first name; and the names of companies under the first important word. Thus, Warren E. Smith would be under S as Smith, Warren E.; Edwards & Hastings, under E; Gilmore & Co., under G; The Reading Railroad Co., under R; etc.

In writing the index, great care should be taken to write the names very compactly, placing the initials and figures close to the name, thus saving as much space as possible in the index pages.

In the index given here, the number 4, following the name of Angus Brown, shows that his account is on page 4 of the Ledger; the figure 2, following the name of James Ely, shows that his account is on page 2 of the Ledger, etc.

LEDGER INDEX

B
Brown, Angus, 4

E
Ely, James, 2
Edwards & Hastings, 5

G
Gilmore & Co., 6

H
Horn, Martin, 7
Harvey, Warren, 8
Handley, Martin, 12

M
Mylert & Co., 11

R
Rothermore, Henry, 9

S
Smith, Warren E., 1
Sloat, William, 3

W
Wilson, Henry, 10

BUSINESS METHODS

19. By **posting** is meant the transferring from the Journal and the Cash Book of all items, both debit and credit, that affect one account to one page in the Ledger, and all items that affect another account to another page. When two books are to be posted from, as in this Section,

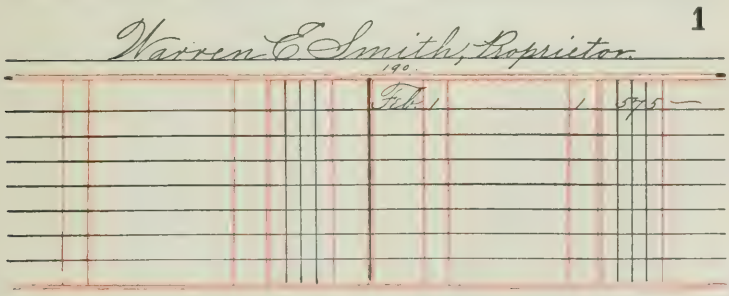


FIG. 12

care should be taken to follow a certain order and to see that no items are omitted and none posted twice. In the Model Set of books, the Journal entries are posted first and then the Cash-Book entries. If the above explanations are thoroughly understood and the following directions observed, there will be no difficulty in correctly posting the transactions from the Journal and the Cash Book to the Ledger.

In order to make the matter clear, we shall open a Ledger account. Taking up the Journal of the Model Set, we find in the opening entry that Warren E. Smith is credited with $575. Now, taking up the Ledger, we write Warren E. Smith's name on the blue line at the top of the first page, and on the credit side of the page enter the date, Feb. 1; then, in the

STATEMENT

Scranton, Pa., Mar. 1, 190

Mr. Martin Horn,

816 S. Washington Ave.

In Account with **Warren E. Smith.**

Deb.	6	17 lb. Sugar,		1 —		
		25 ,, Flour,	.03	75	1	75
	22	4 cans Corn,	.15	60		
		3 ,, Tomatoes,	.10	30		
		4 lb. C. Butter,	.29	1 16		
		3 ,, Coffee,	.40	1 20		
		2 ,, Oolong Tea,	.50	1 —	4	26
	24	2 glassed Jelly,	.10	20		
		1 gal. Molasses,		60		
		1 ,, Vinegar,		28	1	08
					7	09

FIG. 13

folio column, the page of the Journal from which the transaction was taken, in this case page 1, and following this the amount, as shown in Fig. 12. Next, we enter in the folio column of the Journal, on the same line with Smith's name, the number of the Ledger page to which we have posted the item.

All items are posted in exactly the same way, the credits to the credit side and the debits to the debit side of the accounts to which they belong, giving each account a separate page and opening them as needed.

Carefully trace the posting of this item and the others of the Model Set, and endeavor to understand this work before going further; if the order given here is exactly followed, there will be no mistakes.

20. Statement of Account.—When itemized bills are not given with sales on account, and Pass Books are not used by customers, an itemized statement giving a complete list of the articles sold, as shown in Fig. 13, should be sent to the customer at the end of each month.

Before a statement is made out, all the items in the Journal and the Cash Book should be posted to the Ledger. In making a statement, reference is first made to the Ledger for the date and the amount of each sale; then, turning to the page of the Journal from which the items were posted, the name of the article is copied on the statement. All the debits are listed first, then all the credits, after which the balance is brought down as shown.

Statements are made out only for those who owe us; the people we owe will make out their statements and send them to us.

When Pass Books are kept, or when itemized bills are given with the purchases, the statement need contain only the date and total amount of each debit and credit, as shown in Fig. 14.

21. Statement of the Business.—A statement showing the resources and liabilities and giving the standing of a business at the end of any business period is termed a **Statement of the Business.** The first collection of accounts to be shown by this statement is the *resources.* These are the cash on hand, the personal accounts due us, furniture, merchandise, notes receivable, rent, or insurance paid in advance, and any other things of value that the business may possess. The amount of cash on hand is

found by adding the sum on deposit to the sum in the cash drawer. The accounts due are taken from the Ledger. The value of the furniture and merchandise on hand is estimated. The act of making these estimates is called *taking an inventory*. Taking an inventory, or, as it is

STATEMENT

Scranton, Pa., Mar. 4, 190

Mr. Angus Brown,

625 Carbon St.

In Account with **Warren E. Smith.**

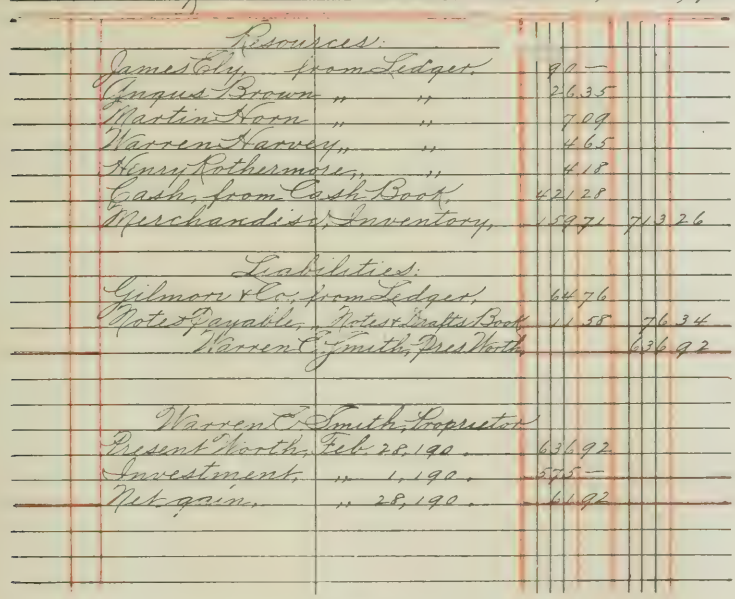
Feb.	1	Balance	25	—		
	14	As per bill		10		
	18	" " "	1	25	26	35

Fig. 14

sometimes called, taking stock, is to find as nearly as possible the value of the merchandise on hand. To do this, every article of merchandise must be weighed, measured, or counted, and an itemized list of them made, together with their estimated value, which is usually the cost price, or a little less, the valuation depending on what it would cost to

replace the articles. The notes receivable are taken from the Notes and Drafts Book. The sum of all these is the total resources.

A list of *liabilities* is next made. These consist of the personal accounts that the proprietor owes, which are shown by the Ledger, and the notes payable, which are shown by the Notes and Drafts Book.



Statement of Warren E. Smith's Business, Feb. 28, 190

Resources:			
James Ely, from Ledger	90 —		
Angus Brown " "	26.35		
Martin Horn " "	7.09		
Warren Harvey " "	4.65		
Henry Rothermore " "	4.18		
Cash, from Cash Book	421.28		
Merchandise, Inventory	1597.71		7133.26
Liabilities:			
Gilmore & Co., from Ledger	64.76		
Notes Payable, Notes & Drafts Book	11.58		76.34
Warren E. Smith, Pres. Worth			636.92
Warren E. Smith, Proprietor			
Present Worth, Feb. 28, 190	636.92		
Investment " 1, 190	575 —		
Net gain " 28, 190	61.92		

FIG. 15

The difference between the resources and the liabilities is the *Present Worth*. The difference between the Present Worth now and the Present Worth, or net investment, at the beginning of the business period, is the *gain* or *loss*. If the proprietor is worth more than at the beginning, he has gained that much; if he is worth less, he has lost that much. We find from the Statement of the Business shown in Fig. 15 that Warren E. Smith has gained $61.92.

He is the proprietor and must be credited with the gain or charged with the loss. An entry is therefore made in the Journal crediting him with $61.92 gain, and this amount is posted to his account in the Ledger. The account is then balanced and the Present Worth brought down as the net investment with which to continue business.

MODEL SET

22. Business of a Grocer.—In order to show how the books explained are handled, we will write up the set, using the following transactions from the business of a grocer. Directions are given with each transaction, and the illustrations show how the entries are made and how the items are posted from the Journal and the Cash Book to the Ledger.

TRANSACTIONS

SCRANTON, PA., FEBRUARY 1, 190

I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., in a store rented from C. L. Isaacs at $40.00 per month, payable in advance. My net capital is $575.00.

James Ely, 312 Madison Ave., owes me, on account,	90.00	
William Sloat, 925 Mifflin Ave., owes me, on account,	10.00	
Angus Brown, 625 Carbon St., owes me, on account,	25.00	
Cash invested,	525.00	
I owe Edwards & Hastings, 520 Beekman St., New York, on account,		25.00
I owe Gilmore & Co., 729 Ann St., New York, on account,		50.00
Warren E. Smith's net investment,		575.00

Journal entry.

Cash in Cash Book and Banking Ledger.

—— 2 ——

Paid C. L. Isaacs, store rent for one month in advance, $40.00.

Cash Book.
Banking Ledger.

—— 4 ——

Bought from Edwards & Hastings, on account,

1 bbl. Sugar,		16.00	
1 " Flour,		5.00	
50 lb. Oolong Tea,	.30	15.00	
50 " Coffee,	.25	12.50	48.50

Journal.

—— 5 ——

Bought from Gilmore & Co., on account,

1 case Canned Corn,	2.40	
1 " " Peas,	2.40	4.80

Journal.

—— 6 ——

Sold to Martin Horn, 816 S. Washington Ave., on account,

17 lb. Sugar,		1.00	
25 " Flour,	.03	.75	1.75

Journal.

—— 7 ——

Received from William Sloat, cash on account, $5.00.

Cash Book.
Banking Ledger.

—— 8 ——

Bought from Gilmore & Co., on account,

1 case Canned Tomatoes,	1.44	
3 doz. glasses Jelly,	2.52	3.96

Journal.

—— 10 ——

Sold to Warren Harvey, 316 Quincy Ave., on account,

1 lb. Coffee,	.40	
1 can Corn,	.15	.55

Journal.

—— 10 ——

Bought from Henry Wilson, 824 Gold St., New York, on account,

1 tub Creamery Butter, 70 lb.,	.22	15.40	
6 4-lb. pails Lard, 24 lb.,	.08	1.92	17.32

Journal.

—— 12 ——

Paid freight on Butter and Lard, $1.50.

Cash Book.

Banking Ledger.

—— 12 ——

Sold to Harvey Brown, for cash,

3 lb. Creamery Butter,	.29	.87	
1 " Coffee,		.40	
1 can Corn,		.15	1.42

Cash Book.

Hold until directed to make a deposit.

—— 13 ——

Sold to Henry Rothermore, 12 Webster Ave., on account,

3 lb. Creamery Butter,	.29	.87	
1 " Oolong Tea,		.50	
1 " Coffee,		.40	
3 glasses Jelly,	.12	.36	
17 lb. Sugar,		1.00	
1 can Tomatoes,		.10	3.23

Journal.

—— 14 ——

Sold to Angus Brown, on account,

1 can Tomatoes,	.10

Journal.

—— 14 ——

Sold for cash,

51 lb. Sugar,	3.00	
150 " Flour,	6.00	9.00

Cash Book.

Deposit with cash sales of 12th and enter in Banking Ledger.

—— 15 ——

Sold to William Sloat, on account,

1 glass Jelly, .10

Journal.

—— 16 ——

Gave Henry Wilson a 10-day note for invoice of 10th, $17.32.

Journal.

Notes and Drafts Book.

—— 16 ——

Paid Edwards & Hastings, on account, $25.00.

Cash Book.

Banking Ledger.

—— 17 ——

Sold to Henry Rothermore, on account,

1 lb. Oolong Tea, .50

Journal.

—— 18 ——

Sold to Angus Brown, on account,

17 lb. Sugar,	1.00	
1 can Corn,	.15	
1 " Tomatoes,	.10	1.25

Journal.

—— 18 ——

Bought from Mylert & Co., 216 Cortlandt St., New York, on account,

1 bbl. Molasses,	10.08	
10 gal. Vinegar,	1.50	11.58

Journal.

—— 19 ——

Received from William Sloat, cash in full of account, $5.10.

Cash Book.

Banking Ledger.

—— 20 ——

Paid cash for fuel, $6.50.

Cash Book.

Banking Ledger.

—— 20 ——

Sold to Warren Harvey, on account,

17 lb. Sugar,		1.00	
3 " Coffee,	.40	1.20	
2 " Oolong Tea,	.50	1.00	
1 gal. Molasses,		.60	3.80

Journal.

—— 21 ——

Sold to Martin Handley, 16 Phelps St., on account,

3 gal. Molasses,	.50	1.50	
1 " Vinegar,		.28	
102 lb. Sugar,		6.00	
20 " Coffee,	.25	5.00	12.78

Journal.

—— 22 ——

Sold to Martin Horn, on account,

4 cans Corn,	.15	.60	
3 " Tomatoes,	.10	.30	
4 lb. Creamery Butter,	.29	1.16	
3 " Coffee,	.40	1.20	
2 " Oolong Tea,	.50	1.00	4.26

Journal.

—— 22 ——

Bought from Gilmore & Co., on account,

25 sacks Salt,	.10	2.50	
14 Brooms,	.25	3.50	6.00

Journal.

—— 23 ——

Sold to Henry Rothermore, on account,

1 can Corn,	.15

Journal.

—— 24 ——

Received a 4-day note from Martin Handley, for bill of 21st, $12.78.

Journal.

Notes and Drafts Book.

—— 24 ——

Sold to Martin Horn, on account,

2 glasses Jelly,	.10	.20	
1 gal. Molasses,		.60	
1 " Vinegar,		.28	1.08

Journal.

—— 25 ——

Sold for cash,

2 Brooms,	.40	.80	
1 gal. Molasses,		.60	
1 " Vinegar,		.30	
1 glass Jelly,		.10	1.80

Cash Book.
Hold until directed to deposit.

—— 25 ——

Sold to Warren Harvey, on account,

1 can Corn,	.15	
1 " Peas,	.15	.30

Journal.

—— 26 ——

Paid my note of 16th, due today, in favor of Henry Wilson, $17.32.

Cash Book.
Banking Ledger.
Mark note paid in Notes and Drafts Book.

—— 26 ——

Gave Mylert & Co. a 30-day note, for invoice of 18th $11.58.

Journal.
Notes and Drafts Book.

—— 26 ——

Sold to Henry Rothermore, on account,

1 lb. Creamery Butter,	.30

Journal.

—— 28 ——

Received cash from Martin Handley, for note of 24th, due today, $12.78.

Cash Book.

Mark note paid in Notes and Drafts Book.

Deposit with amount held from 25th, and enter in Banking Ledger.

—— 28 ——

Paid Edwards & Hastings, in full of account, $48.50.

Cash Book.

Banking Ledger.

—— 28 ——

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger, Journal first, then Cash Book. Always rule a Ledger account whenever it balances.

Make out a Statement of the Business.

Credit Warren E. Smith in Journal with gain, and post to his account in the Ledger. Balance and rule account.

INVENTORY

Estimated value of goods on hand,	$159.71

JOURNAL

1

Scranton, Pa., February 1, 190

	I, Warren E. Smith, have this day commenced business as a grocer at 319 Adams Ave., in a store rented from C. L. Isaacs at $40.— a month, payable in advance. My resources and liabilities, and net investment are as follows:				
1	Cash on hand,		525 —		
2	James Ely, 312 Madison Ave., Dr.		80 —		
3	William Sloat, 95 Mifflin " "		10 —		
4	August Brown, 6-5 Carbon St. "		25 —		
	These parties owe me as above.				
5	Edwards & Hastings, 50 Belmont St., Cn.			25 —	
6	Gilmore & Co., 29 Ann St., N.Y. "			50 —	
	I owe these parties as above.				
1	Warren E. Smith, net investment			575 —	
	4				
5	Edwards & Hastings, Cn.				
	Bought from them on account,				
	1 bbl. Sugar,	16 —			
	1 " Flour,	5 —			
	50 lb. Oolong Tea, .30,	15 —			
	50 " Coffee, .25,	12.50		48.50	
	5				
6	Gilmore & Co., Cn.				
	1 case Canned Corn,	2.40			
	1 " " Peas,	2.40		4.80	
	6				
7	Martin Horn, 91½ So. Washington Ave., Dr.				
	17 lb. Sugar,	1 —			
	25 " Flour, .03,	.75	1.75		
	8				
6	Gilmore & Co., Cn.				
	1 case Canned Tomatoes,	1.44			
	3 doz. glasses Jelly,	2.52		3.96	
	10				
8	Warren Harvey, 316 Quincy Ave., Dr.				
	1 lb. Coffee	.40			
	1 can Corn,	.15	.55		

2

February 10, 190-

10	Henry Wilson, 224 Gold St., N.Y. Cr.								
	1 tub 70 lb. Creamery Butter, 22,	15.40							
	6 4 lb. pails Lard, 24 lbs.	08,	1.92					17	32
	13								
9	Henry Rothermore, 12 Webster Ave. Dr.								
	3 lb. Creamery Butter, 29,		.87						
	1 " Oolong Tea,		.50						
	1 " Coffee,		.40						
	3 glasses Jelly,	12,	.36						
	17 lb. Sugar,		1.—						
	1 can Tomatoes,		.10		3	23			
	14								
4	Angus Brown, Dr.								
	1 can Tomatoes,					10			
	15								
3	Wm. Sloat, Dr.								
	1 glass Jelly,					10			
	16								
10	Henry Wilson, Dr.								
	Gave him a 10-day note								
	in payment of invoice of 10th.				17	32			
	17								
9	Henry Rothermore, Dr.								
	1 lb. Oolong Tea,					50			
	18								
4	Angus Brown, Dr.								
	17 lb. Sugar,		1.—						
	1 can Corn,		.15						
	1 " Tomatoes,		.10		1	25			
	18								
11	Mylert & Co., 216 Cortlandt St., N.Y. Cr.								
	1 bbl. Molasses,		10.00						
	10 gal. Vinegar,		1.50					11	58
	20								
8	Warren Harvey, Dr.								
	17 lb. Sugar,		1.—						
	3 " Coffee,	40,	1.20						
	2 " Oolong Tea,	50,	1.—						
	1 gal. Molasses,		.60		3	80			

3

February 21, 190

12	Martin Handley, 16 Phelps St.,	Dr.					
	3 gal. Molasses,	.50,	1.50				
	1 " Vinegar,		.28				
	102 lb. Sugar,		6.—				
	20 " Coffee,	.25,	5.—		12.78		
	22						
7	Martin Horn,	Dr.					
	4 cans Corn,	.15,	.60				
	3 " Tomatoes,	.10,	.30				
	4 lb. Creamery Butter,	.29,	1.16				
	3 " Coffee,	.40,	1.20				
	2 " Oolong Tea,	.50,	1.—		4.26		
	22						
6	Gilmore & Co.	Cr.					
	25 sacks Salt,	.10,	2.50				
	14 Brooms,	.25,	3.50			6	—
	23						
9	Henry Rothermore,	Dr.					
	1 can Corn,				.15		
	24						
12	Martin Handley,	Cr.					
	By a 4-day note for bill of 21st,					12	78
	24						
7	Martin Horn,	Dr.					
	2 glasses Jelly,	.10,	.20				
	1 gal. Molasses,		.60				
	1 " Vinegar,		.28		1.08		
	25						
8	Warren Harvey,	Dr.					
	1 can Corn,		.15				
	1 " Peas,		.15		.30		
	26						
11	Mylert & Co.	Dr.					
	Gave them a 30-day note						
	in payment of invoice of 10th,				11.58		
	26						
9	Henry Rothermore,	Dr.					
	1 lb. Creamery Butter,				.30		

4

February 28, 190

1		Warren E. Smith, Cr.		
		By net gain for month,		61 92

CASH BOOK

1

Cash

190				
Feb. 1	✓	Amount on hand,	525 —	
2	✓	Paid one month's store rent,		40 —
7	3	Wm. Sloat, paid me on acct.,	5 —	
12	✓	Paid freight,		1 50
	✓	Cash sales,	1 42	
14	✓		9 —	
16	5	Edwards & Hastings, pd them on acct.,		25 —
19	3	Wm. Sloat, paid me in full,	5 10	
20	✓	Paid for fuel,		6 50
25	✓	Cash sales,	1 80	
26	✓	Paid my note, favor of Henry Wilson,		17 32
28	✓	Rec'd cash for Martin Handley's note,	12 78	
	5	Edwards & Hastings, pd them in full,		48 50
		Balance,		2 28
			560 10	560 10

BANKING LEDGER.

Mr. Warren E. Smith,

IN ACCOUNT WITH

INTERNATIONAL CORRESPONDENCE SCHOOLS BANK.

190	Date	From Whom Received	Deposit Items		Total Deposit		190	Date		No.	Checks	
Feb.	1	Investment,			525	—	Feb.	2	Rent,	1	40	—
	7	Wm. Sloat,			5	—		12	Freight,	2	1	50
	14	Cash sales,			10	42		16	E. & A.,	3	25	—
	19	Wm. Sloat,			5	10		20	Fuel,	4	6	50
	28	Cash sales,	1	80				26	Notes,	5	17	32
		Handley's note,	12	78	14	58		28	E. & A.,	6	48	50
									Bal.,		421	28
					560	10					560	10
Mar.	1	Balance,			421	28						

LEDGER

1

Warren E. Smith, Proprietor

190						190					
Feb. 1	Res Worth		636	92		Feb. 1			1	575	—
						28	Gains		4	61	92
			636	92						636	92
						Mar. 1	Res Worth			636	92

2

James Ely, 312 Madison Ave.

190											
Feb. 1			1		90	—					

3

William Sloat, 925 Mifflin Ave.

190						190					
Feb. 1			1		10	—	Feb. 7		1	5	—
15			2		10		19			5	10
				10	10					10	10

4

Angus Brown, 625 Carbon St.

190											
Feb. 1			1		25	—					
14			2		10						
18				1	25						

5

Edwards & Hastings, 520 Beekman St. N.Y.

190						190					
Feb.	16	1	25	—		Feb.	1	1	25	—	
	28		48	50			4		48	50	
			73	50					73	50	

6

Gilmore & Co., 729 Ann St., N.Y.

						190					
						Feb.	1	1	50	—	
							5		4	80	
							8		3	96	
							22	3	6	—	

7

Martin & Horn, 816 S. Washington Ave.

190											
Feb.	6	1	1	75							
	22	3	4	26							
	24	1	1	08							

8

Warren & Harvey, 316 Quincy Ave.

190											
Feb.	10	1		55							
	20	2	3	80							
	25	3		30							

9

Henry Rothermore, 12 Webster Ave.

190											
Feb.	13		2		3	23					
	17					50					
	23		3			15					
	26					30					

10

Henry Wilson, 824 Gold St., N.Y.

190								190					
Feb.	16		2		17	32		Feb.	10		2	17	32

11

Mylert & Co., 216 Cortlandt St., N.Y.

190								190					
Feb.	26		3		11	58		Feb.	18		2	11	58

12

Martin Handley, 16 Phelps St.

190								190					
Feb.	21		3		12	78		Feb.	24		3	12	78

Statement of Warren E. Smith's Business, Feb. 28, 190

Resources:		
James Ely, from Ledger,	90 —	
Angus Brown " "	26 35	
Martin Horn " "	7 09	
Warren Harvey " "	4 65	
Henry Rothermore " "	4 18	
Cash, from Cash Book	421 28	
Merchandise Inventory,	1591 71	713 26
Liabilities:		
Gilmore & Co., from Ledger,	64 76	
Notes Payable, Notes & Drafts Book	11 58	76 34
Warren E. Smith, Pres. Worth,		636 92
Warren E. Smith, Proprietor:		
Present Worth, Feb. 28, 190:	636 92	
Investment, " 1, 190.	575 —	
Net gain, " 28, 190.	61 92	

NOTES AND DRAFTS. PAYABLE.

When Issued. 190		No.	Ledger Page.	Maker or Acceptor.	In Favor Of	Where Payable.	Given for	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.	Rate Int.	Amount of Interest.	When and How Redeemed. 190
Feb.	16	1		Myself.	Henry Wilson & Co.	Bank	Inv. of 10	Feb. 16.	10 days	190		26											1732	No		Feb. 26 Paid by ch
	26	2		"	Mylert & Co.	" "	" " 18	" 26.	30 "	"			28										1158	"		

NOTES AND DRAFTS. RECEIVABLE.

Date Issued.		No.	Ledger Page.	Maker or Acceptor.	In Favor Of	Where Payable.	Received For	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April.	May	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.		Rate Int.	Amount of Interest.		When and How Disposed of.		
189 Feb	24	1		Martin Handley	Myself	N. C. Bank	Bill of Ex	Feb 24.	4 days	90		28											1275		Mo			190 Feb 28		Paid

DOUBLE-ENTRY BOOKKEEPING

(PART 1)

PRINCIPLES OF BOOKKEEPING

PRELIMINARY REMARKS

1. Introduction.—It is the intention to give the student, in this and the following Sections, such a full and complete understanding of the theory and elements of double-entry bookkeeping as will enable him to keep, by this method, books for any ordinary kind of business. If the examples herein illustrated and explained are exactly and conscientiously followed, a valuable knowledge of business and bookkeeping will surely be acquired.

2. Bookkeeping and Its Uses.—Books of account are kept, in some manner, by every person doing business. This is done that they may know their resources and liabilities, and also the extent of their business and its receipts and expenditures.

3. Bookkeeping is the systematic recording of the facts that will show the standing of a business. A bookkeeper, or accountant, is a person that understands how to make such records and how to prepare the bills, checks, drafts, etc. necessary in mercantile transactions, and is acquainted with the manner in which such instruments are used.

4. Methods of Keeping Books.—There are two distinct methods of keeping books, called *single-entry bookkeeping* and *double-entry bookkeeping*.

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All that is aimed at in **single-entry bookkeeping** is to enable one party to keep an account of his dealings with others, in order that he may know how much they owe him and how much he owes them, none but personal accounts being kept. An entry is made only when a personal account is affected, and the person is simply debited or credited, hence the term *single entry*.

In **double-entry bookkeeping** an account is kept with every class of property dealt in as well as with every person with whom business is done. A debit and credit entry is made for every transaction, thus making an entry to two or more accounts, according to the number affected by the transaction; that is to say, every time an account is debited, some other account or accounts must be credited for the same amount, hence the term *double entry*.

RULE FOR DEBIT AND CREDIT

5. The two main principles of bookkeeping are expressed by the terms **debit** and **credit.** Both of these principles are used in every transaction in double-entry bookkeeping. The following rule should be thoroughly learned and committed to memory; if it is strictly followed, a mistake will never be made in a bookkeeping entry.

Rule.—Debit: *What you receive or what costs you value.* **Credit:** *What you part with or what produces you value.*

When to debit—

Cash: When you receive it.

Merchandise: When you receive it.

Bills Receivable: When you receive a note.

Bills Receivable: When you receive an accepted time draft.

The Party: When you trust any one.

The Party: When you pay any one.

The Party: When he draws a draft on you.

When to credit—

Cash: When you give it out.

Merchandise: When you sell it.

Bills Payable: When you give a note.
Bills Payable: When you accept a time draft.
The Party: When he pays you.
The Party: When he trusts you.
The Party: When you draw a draft on him.

MERCANTILE TERMS, ABBREVIATIONS, SIGNS, AND CHARACTERS

MERCANTILE TERMS

6. The list of **mercantile terms** here given is very complete, and a clear and comprehensive knowledge of them and their application will be found necessary to every student of commercial science.

Accept.—So to acknowledge, by signature, as to bind for payment.

Acceptance.—A draft or bill of exchange that has been accepted. This is usually done by the acceptor (drawee) writing his name across the face of the draft in red ink, together with the word "Accepted" and the date.

Account.—A formal statement of debits and credits.

Account Books.—Books made and used for keeping accounts.

Account Current.—An open or running account; an account for the present month, quarter, or other period of time.

Account Sales.—A detailed statement of the sale of goods by a commission merchant, showing also the expenses, after charges, and the net proceeds.

Accrued.—Accumulated, as interest due and unpaid.

Acknowledgment.—A formal admission made before a notary or other authorized person that the act described was voluntarily performed.

Ad Valorem.—According to value; a custom-house term relating to duties on imported goods.

Advice.—A notice of a bill drawn; information with reference to a shipment; any mercantile information.

Affidavit.—A written declaration made under oath.

Agent.—One who acts for another; a deputy.

Agreement.—Mutual assent; a contract.

Allowance.—A deduction from the gross weight of goods; an abatement.

Annuity.—A sum to be paid to another in fee, or for life, or for years.

Antedate.—To date before the actual time of writing.

Appraise.—To estimate the value of goods or property, as for the purpose of taxation, etc.

Appurtenances.—Those things that appertain or belong to something else, as the buildings and fences to the farm on which they stand.

Articles.—Divisions of a written or printed agreement, as articles of copartnership; things or commodities, as articles of merchandise.

Assets.—The funds, property, and total resources of a person in business.

Assign.—To transfer or make over to another, usually for the benefit of creditors.

Assignee.—The person to whom the affairs of an insolvent debtor are referred for adjustment, usually a trustee of the creditors.

Assignment.—The formal transfer of property to an assignee.

Assignor.—The one who assigns his property for the benefit of his creditors.

Assume.—To take upon oneself the risk or liabilities of another.

Attachment.—A legally executed claim on property; a warrant for the seizure of goods to satisfy debt.

Auxiliary.—(Helping.) Applied to such account books as are kept merely as aids to the principal books.

Average.—A proportional share of a general loss, usually applied to the loss of goods at sea; also, a mean time of payment for several debts due at different times.

Balance.—To close an account; difference between debits and credits.

Balance of Trade.—Difference between the exports and imports of a country.

Balance Sheet.—A statement in condensed form, showing the condition and progress of business.

Bank.—An institution, generally incorporated, authorized to receive deposits of money, to lend money, and to issue promissory notes—usually called bank notes—or to perform some one or more of these functions.

Bank Balance.—Net amount on deposit at bank.

Bank Bills or Notes.—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

Bank Book.—The pass book of the depositor, in which the receiving teller writes the separate deposits. The bookkeeper enters the paid checks at stated intervals.

Bank of Deposit.—A bank for the custody and employment of money entrusted to its care by its customers.

Bank of Discount.—A bank for the loaning of money on commercial paper and collateral securities.

Bank of Issue.—A bank that, besides employing or lending the money entrusted to it, is authorized to issue notes of its own.

Bankrupt.—One that fails in business and is unable to pay his debts.

Bank Stock.—Shares in a banking establishment.

Bill.—A detailed statement of goods bought or sold; a negotiable instrument.

Bill Book.—A book containing the particulars of notes issued and notes received.

Bill of Exchange.—An order for the payment of money, usually drawn on a person or a bank in another country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

Bill of Lading.—A written acknowledgment by the representative of a common carrier that he has received the goods therein described, to be carried to a certain destination, on the terms stated, and delivered to the person specified or to the order of the shipper; it is both a receipt

and a contract; it may be negotiated for value, and then it becomes the absolute title to the goods.

Bill of Sale.—A writing given by the seller to the buyer, transferring the ownership of personal property.

Bill Head.—A printed form on which to render bills.

Bills Payable.—Notes and acceptances payable by us.

Bills Receivable.—Notes and acceptances of others payable to us.

Blanks.—Books and papers ruled to forms suitable for business purposes.

Blotter.—(The Day Book.) Book of original entry containing a history of transactions in the order of their occurrence.

Book Account.—An entry or charge in the books in contradistinction from a note or written promise.

Breakage.—An allowance on goods imported in bottles; compensation for things broken.

Broker.—An agent or middleman between the buyer and the seller.

Brokerage.—The percentage or commission charged by a broker for his services.

Cancel.—To annul; to destroy; to render void.

Capital.—Investment in business.

Capital Stock.—The joint or aggregate paid-in capital of the stockholders in corporate institutions.

Cartage.—The charges for conveying goods by carts or wagons.

Cash.—Coin, bank notes, checks, etc., that pass as money.

Certificate.—A written or printed testimony; as, a certificate of deposit, a certificate of stock.

Certified Check.—A check that has been acknowledged good by the bank on which it is drawn.

Charges.—The expenses incurred in handling goods, more especially those bought and sold on commission.

Chattels.—Movable things; personal property.

Check.—An order on a bank drawn by a depositor.

Closing an Account.—Making an entry to balance it.

Closing Lines.—The ruling lines drawn after an account is balanced and footed.

Collaterals.—Pledges of stock, notes, or chattels for security of loans and other indebtedness.

Commission.—A percentage allowed for buying or selling goods or for transacting other business.

Commercial Paper.—Notes, drafts, and other written orders for the payment of money used in trade.

Consideration.—The material cause that moves a party to enter into a contract; not the motive or moral cause, but the price or stipulated amount that may be expressed in money value.

Consignee.—The agent or person to whom goods are sent to be sold on commission. The goods are said to be *consigned*, and are called by the one who receives them a *consignment*.

Consignor.—The party who thus consigns his goods to an agent. The consignor calls such goods a *shipment* to distinguish them from other goods that he himself may have received to be sold on commission, and which he, in turn, calls a consignment.

Contract.—An agreement for a lawful consideration to do or not to do something possible and lawful to be done.

Conveyance.—A legal document transferring the ownership of land or other property from one person to another.

Cooperage.—Expenses paid for repairing casks, boxes, etc.

Date.—A statement of the day of the month and year when a letter was written or a transaction effected.

Days of Grace.—The days allowed for the payment of a note or bill after the time specified has expired.

Deed.—A sealed instrument used in the conveyance of real estate; any legal instrument under seal.

Demand.—Asking by authority; a claim by right.

Deposit.—Money left in a bank subject to order.

Discount.—A deduction; the sum allowed for payment of a bill before due; the sum paid as interest in advance for money at a bank.

Dishonor.—Failure to pay when due; refusal to accept a draft.

Dividend.—Gain to be divided among the stockholders in a joint-stock company.

Double Entry.—A system of bookkeeping by which the debits and credits in any transaction are equal in amount.

Draft.—A written order or request for the payment of money at a certain time.

Drawee.—One on whom the draft is drawn; the payer.

Drawer.—The person who draws the draft, and thus asks the drawee to pay to the payee named.

Drayage.—Charges for hauling goods on drays or wagons.

Due Bill.—A brief written acknowledgment of debt, having the effect of a promissory note without time to run.

Duplicate.—A copy; a transcript of any document.

Extend.—In accounts, to add the items and carry the totals out into their proper columns.

Face.—The amount for which a bill is drawn.

Facsimile.—An exact copy.

Favor.—A polite term for a letter received. A bill or note is said to be drawn in favor of the one to whom it is made payable.

Fixtures.—That part of the furniture of a store or office which is not movable; as, the gas pipes, partitions, etc.

Freight.—Goods in transit; the price paid for transportation.

Gain.—Increase in wealth; profit.

Good-Will.—The reputation and patronage that pertains to an established business; also, the personal interest and influence of a withdrawing partner apart from that shown by his account.

Gross Weight.—Weight of goods including box and packing.

Indorse.—To guarantee; to write one's name on the back of a check or note.

Indorsee.—The person in whose favor a check is indorsed.

Indorser.—The person who indorses.

Instant.—Present; current; the present month. (Proximo, next month; ultimo, last month.)

Insurance Policy.—The instrument containing the contract between the insurance company and the party insured.

Interest.—The use of money; premium paid for the use of money; right or share in a business.

Inventory.—An itemized schedule or list of goods and other property, with their value as then estimated.

Investment.—The laying out of money in the purchase of property or goods.

Invoice.—A list of goods bought or sold, received from abroad, or about to be shipped.

Invoice Book.—A book in which invoices are copied or placed.

Jobber.—One who buys goods from manufacturers and importers, and sells them to retailers.

Job Lot.—An irregular assortment; miscellaneous goods unsold at the end of a season.

Joint Stock.—Property held in common by a company of men, each of whom is called a stockholder.

Journal.—A book in which the debits and credits of a transaction are arranged preparatory to posting.

Judgment.—The decree of a court enforcing a contract or redressing a wrong.

Judgment Note.—A promissory note in the usual form, coupled with a warrant of attorney authorizing the entry of judgment without the process of law in case of non-payment.

Leakage.—An allowance made for loss or waste on liquids transported in casks.

Lease.—A contract granting possession and use of property for a specified time.

Ledger.—A book of accounts, in which the results of business are arranged under suitable headings.

Legal Tender.—(Lawful offer.) The name given to such currency as the law declares shall be received in payment of all ordinary debts.

Lessee.—One to whom a lease is made.

Letter of Advice.—A letter containing a notice of a ship ment, or of a bill drawn, or of some act in which the party receiving the advice has an interest.

Letter of Attorney.—Written authority to act for another.

Letter of Credit.—An open letter authorizing the bearer to receive money on the credit of the writer. (Generally issued by banking houses to travelers in foreign countries.)

Liabilities.—Debts owed by an individual or firm.

Loss and Gain.—The title of an account showing the profit and loss in business.

Maker.—The signer of a note.

Mercantile Agency.—A company whose business is to obtain and circulate among its patrons information as to the business standing of merchants and traders.

Merchandise.—The usual articles of trade. That which is bought to sell again, as distinguished from that which is bought to use.

Money Order.—An order on a third party requesting him to pay to the person named a certain sum.

Mortgage.—The pledge of land, goods, or chattels to secure the payment of a debt.

Mortgagee.—The person in whose favor the mortgage is given.

Mortgagor.—The person who gives a mortgage.

National Bank.—A banking institution established in the United States under an Act of Congress. National banks can issue their individual notes (engraved and furnished by the government) but only on the basis of United States bonds deposited with the treasurer of the United States as security for said notes in circulation, should any such bank fail in business.

Negotiable.—That which is transferable by delivery, assignment, or indorsement.

Net.—Clear of all charges and deductions.

Net Loss.—Excess of losses over gains.

Net Proceeds.—The remainder after deducting charges for sales.

Net Weight.—Weight after deducting all allowances.

Nominal.—Existing in name only.

Obligation.—Indebtedness; a bond with a consideration annexed, and a penalty for non-fulfilment.

Open Account.—An unsettled account with a firm or individual.

Open Policy.—An insurance policy intended to cover all goods shipped by a certain person (or received) within a certain specified time. Each separate risk is to be indorsed on the policy as it arises.

Order.—A request to pay or deliver certain money or goods.

Order Book.—The book in which requests for goods are entered.

Overdraw.—To draw for a sum greater than one's credit balance.

Par.—Equal in value; that is, the market value is equal to the face or nominal value without premium or discount.

Partnership.—Company; firm; union of two or more in business.

Par Value.—The nominal value; usually the printed or written value of any commercial paper.

Pass Book.—A book in which a trader enters articles sold on credit. It is carried by the purchaser and presented by him for record when the purchases are made.

Payee.—Person to whom money is paid.

Payer.—Person who pays.

Per.—A Latin preposition meaning through or by. Used in self-explaining compounds; as, per bushel, per day, per gross, etc.

Per Annum.—By the year.

Per Cent.—(Per centum.) By the hundred.

Percentage.—A part or portion expressed in hundredths.

Per Diem.—By the day.

Personal Accounts.—Accounts with persons—even artificial persons, as banks, corporations, etc.—as distinguished from accounts with property, etc.

Personal Property.—All property except real estate.

Petty Cash Book.—A memorandum book of small receipts and expenses.

Postdate.—(After date.) To date after the real time of writing.

Posting.—Transferring the entries from the Journal and other books to their proper accounts in the Ledger.

Power of Attorney.—A written instrument giving an agent authority to act for his principal in matters requiring such written delegation of power; such an agent is called an *Attorney-in-Fact.*

Preferred Stock.—Stock that is entitled to a stipulated dividend before any dividend can be declared on the ordinary or common stock.

Premium.—Excess above par; sum paid for insurance.

Proceeds.—The amount or value of anything converted into money.

Promissory Note.—A written promise to pay a certain sum of money at a specified time.

Protecting a Draft.—Accepting or paying a draft to prevent its being dishonored or protested.

Protest.—(1) A formal declaration made by a notary public that a note was not paid at maturity, or that a bill of exchange was not accepted when presented, or was not paid when due; (2) an official statement by the master of a vessel that the damage to ship or cargo was caused by stress of weather and not by negligence.

Quotation.—The published price of stocks, merchandise, freight rates, rates of exchange, etc.

Real Estate.—Land and such buildings and appurtenances as pass with the land in conveyance of sale.

Receiver.—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

Remittance.—Funds sent from one place to another.

Renewal.—(Of a note.) As giving a new note in exchange for a like note when due.

Rent.—Amount paid for the use of another's premises.

Resources.—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

Savings Banks.—Bank of deposit where interest is allowed on amounts deposited.

Schedule.—A list or inventory of goods or prices.

Shipment.—The putting of goods on board a vessel; the title of an account with goods sent away to be sold on commission.

Sight Draft.—A draft payable at sight; that is, on presentation to the drawee.

Spot Cash.—Immediate payment.

Statement.—A list of resources and liabilities; a report of an agent's transactions sent to his principal; a list showing the dates and amounts of the debits and credits of a Ledger account for a month, quarter, or other period of time.

Stockholder.—One who owns shares in a joint-stock company or corporation.

Stocks.—Shares in joint-stock companies and corporations.

Storage.—Charges for the use of a warehouse.

Suspense Account.—An account employed to contain balances of personal accounts that may be considered doubtful.

Tare.—A deduction for the weight of boxes, crates, or barrels.

Terms.—The conditions of a sale as to time and kind of payment.

Terms Cash.—Generally understood to mean that goods are to be paid for as soon as they have been received and inspected.

Time Draft.—A draft maturing at a future specified time.

Trade Discount.—A discount or series of discounts from list prices, made to dealers or because of a change in prices.

Value Received.—A phrase of formality used in notes to indicate that a consideration has been given.

Voucher.—Such papers or documents as prove the truth of accounts; thus, a receipt is a voucher for the payment of money.

Way Bill.—A document containing a list of goods sent by railroad.

Wholesale.—(To sell whole.) To sell goods in large quantities, usually in unbroken packages.

COMMERCIAL ABBREVIATIONS

7. The following **commercial abbreviations** should be carefully studied, for their use is common.

A 1 . . . . . First Class
A. or ans. . . . . Answer
acct. . . . . Account
acct. cur. . . . . Account Current
acct. sales . . . . . Account Sales
A. D. . . . . In the Year of Our Lord
ad. . . . . Advertisement
Agt. . . . . Agent
Ala. . . . . Alabama
Alas. . . . . Alaska Territory
Alb. . . . . Alberta Territory
A. M. . . Before Noon; Master of Arts; In the Year of the World
Am. or Amer. . . . American; America
amt. . . . . Amount
Apr. . . . . April
art. . . . . Article
Ariz. . . . . Arizona
Ark. . . . . Arkansas
ass'd or as'd . . . . . Assorted
Assin. . . . . Assiniboia Territory
ass'md . . . . . Assumed
Ass't . . . . . Assistant
Atty . . . . . Attorney
Aug. . . . . August
bal. . . . . Balance
bbl. . . . . Barrel
B. B. . . . . Bill Book; Bank Book
B. C. . . . . British Columbia
bdls. . . . . Bundles
b. of e. . . . . Bill of Exchange
bgs. . . . . Bags
bk. . . . . Bank or Book
bkts. . . . . Baskets
b. of l. . . . . Bill of Lading
bls. . . . . Bales
bot. . . . . Bought
B. Pay. . . . . Bills Payable
bro't. . . . . Brought
B. Rec. . . . . Bills Receivable
B. Ren'd. . . . . Bill Rendered
bu. or bush. . . . . Bushel
bxs. . . . . Boxes
Cal. . . . . California; Calendar
C. B. . . . . Cash Book
c. or cts. . . . . Cents
chgs. . . . . Charges
chts. . . . . Chests
c. i. f. . . . Cost, Insurance, and Freight
ck. . . . . Check
cks. . . . . Casks; Checks
Co. . . . . Company; County
C. O. D. . . Cash (or Collect) on Delivery
Coll. . . . . Collector
Colo. . . . . Colorado
Com. . . Commission; Commerce; Committee
Com'l. . . . . Commercial
Conn. . . . . Connecticut
Cons'd. . . . . Consigned
Cons't. . . . . Consignment
Cr. . . . . Credit; Creditor
C. S. B. . . . . Commission Sales Book
ctg. . . . . Cartage
cwt. . . . . Hundredweight
D. B. . . . . Day Book
D. C. . . . . District of Columbia
Dec. . . . . December
Dep. . . . . Deposit; Deputy
Del. . . . . Delaware
Dep't. . . . . Department; Deponent
Deg. . . . . Degree
dft. . . . . Draft; Defendant
Disc't. . . . . Discount
div. . . . . Dividend
do. or ditto . . . . . The Same
Dr. . . . . Doctor; Debtor
ds. . . . . Days
Ea. or ea. . . . . Each
Ed. . . . . Editor; Edition
E. E. . . . . Errors Excepted
E. & O. E. . . Errors and Omissions Excepted
e. g. . . . . For Example
Ent. . . . . Entry
Ent'd. . . . . Entered
et al. . . . . And Others
etc. or &c. . . And Others; And So Forth
Exch. . . . . Exchange
ex. . . . . Express
exp. . . . . Export; Exporter; Expense
Feb. . . . . February
fig'd. . . . . Figured
Fla. . . . . Florida
f. o. b. . . . . Free on Board
fo'd. or f'd. . . . . Forward
Fri. . . . . Friday
Frt. . . . . Freight
Ft. . . . . Fort
ft. . . . . Foot; Feet
Ga. . . . . Georgia
gal. . . . . Gallon

COMMERCIAL ABBREVIATIONS—(Continued)

G. O. . . . . General Order
gr. or gro. . . . . Gross
Hawaii . . . . . Hawaii Territory
hdkf. . . . . Handkerchief
hhd. . . . . Hogshead
Ia. . . . . Iowa
I. B. . . . . Invoice Book
id. . . . . The Same
Ill. . . . . Illinois
in. . . . . Inch; Inches
incor. . . . . Incorporated
Ind. . . . Indiana; India; Indian; Index; Indorse
Ind. T. . . . . Indian Territory
Ins. . . . . Insurance
Inst. . . . . Instant (this month)
int. . . . . Interest
inv. . . . . Invoice
inv't. . . . . Inventory
I. O. U. . . . I owe you (an acknowledgment of indebtedness)
J. . . . . Judge; Justice
J. or jour. . . . . Journal
Jan. . . . . January
J. D. B. . . . . Journal Day Book
J. F. . . . . Journal Folio
J. P. . . . Justice of the Peace; Journal Page
Ju. . . . . June
Jul. . . . . July
Kans. . . . . Kansas
Ky. . . . . Kentucky
L. . . . . Ledger; Latin; Fifty
lb. . . . . Pound
La. . . . . Louisiana
lab. . . . . Labor
L. B. . . . . Letter Book
L. F. . . . . Ledger Folio
L. P. . . . . Ledger Page
L. T. . . . . Ledger Title
Man. . . . . Manitoba
man'f. . . . Manufacture; Manufactory
Mar. . . . . Maritime
Mch. . . . . March
Mass. . . . . Massachusetts
M. C. . . . . Member of Congress
Md. . . . . Maryland
mdse. . . . . Merchandise
Me. . . . . Maine
Mem. . . . . Memorandum
Messrs. or MM. . . . . Gentlemen; Sirs
Mem. B. . . . . Memorandum Book
Mex. . . . . Mexico
mfd. . . . . Manufactured
mfg. . . . . Manufacturing
Mfst. . . . . Manifest
mfr. . . . . Manufacturer
Mich. . . . . Michigan
Minn. . . . . Minnesota
Miss. . . . . Mississippi
Mme. . . . . Madam
Mmes. . . . . Mesdames
Mo. . . . . Missouri
Mo. or mo. . . . . Month
Mols. . . . . Molasses
Mon. . . . . Monday
Mont. . . . . Montana
Mr. . . . . Master; Mister
Mrs. . . . . Mistress; Missis
Mtg. . . . . Mortgage
MS. . . . . Manuscript
Mut. . . . . Mutual
N. A. . . New Account; North America
Nat. or Nat'l . . . . . National
N. B. . . Take Notice; New Brunswick
N. C. . . . North Carolina; Net Capital
N. Dak. . . . . North Dakota
N. E. . . . . New England
Nebr. . . . . Nebraska
Nev. . . . . Nevada
N. F. . . . . Newfoundland
N. H. . . . . New Hampshire
N. J. . . . . New Jersey
N. L. . . . . Net Loss
N. Mex. . . . . New Mexico
No. . . . . Number
Nov. . . . . November
N. P. . . . Notary Public; Net Proceeds
N. S. . . . . Nova Scotia
N. Y. . . . . New York
N. W. T. . . . . Northwest Territories
O. . . . . Old; Ohio
O. A. . . . . Old Account
O. B. . . . . Order Book
Oct. . . . . October
O. K. . . . . All Correct (Oll Korrect)
Okla. . . . . Oklahoma
O. I. B. . . . . Outward Invoice Book
Ont. . . . . Ontario
Ore. . . . . Oregon
p. . . . . Page
pp. . . . . Pages
Pa. . . . . Pennsylvania
pay't or pm't. . . . . Payment
P. B. . . . . Pass Book
P. C. B. . . . . Petty Cash Book
pce. or pc. . . . . Piece
pd. . . . . Paid
per an. . . . . By the Year
P. E. I. . . . . Prince Edward Island
P. I. . . . . Philippine Islands
pk. . . . . Peck

COMMERCIAL ABBREVIATIONS—(Continued)

pkg. . . . . Package
P. M. . . . . Postmaster; After Noon
P. N . . . . . Postal Note
P. O. D . . . . . Pay on Delivery
P. O. O. . . . . Post-Office Order
pop. . . . . Population
P. R. . . . . Porto Rico
Prem. . . . . Premium
Pro. . . . . Proceeds
prop'r . . . . . Proprietor
prox. . . . . Next Month
P. S. . . . . Postscript
pub. . . . . Publisher
Qr. or qr. . . . . Quarter; Quire
Qt. or qt. . . . . Quart; Quantity
Que. . . . . Quebec
Rec. . . . . Recorder; Recipe
rec'd . . . . . Received
ret'd . . . . . Returned
R. I. . . . . Rhode Island
Reg. . . . . Register
R. R. . . . . Railroad
Ry. . . . . Railway
Sask. . . . . Saskatchewan Territory
Sat. . . . . Saturday
S. B. . . . . Sales Book
S. C. . . South Carolina; Small Capitals
S. Dak. . . . . South Dakota
S. E. . . . . Single Entry; Southeast
sec. . . . . Section; Secretary
Sep. or Sept. . . . . September
Shipt. . . . . Shipment
Shs. . . . . Shares
Sig. . . . . Signature
S. S. . . . . Steamship
St. dft. . . . . Sight Draft
Stor. . . . . Storage
Sun. or Sund. . . . . Sunday; Sundries
Supt. . . . . Superintendent
sq. . . . . Square
T. B. . . . . Time Book; Trial Balance
Tenn. . . . . Tennessee
Ter. . . . . Territory
Thurs. . . . . Thursday
Tex. . . . . Texas
Treas. . . . . Treasurer
trans. . . . . Transaction; Translation
Tu. or Tues. . . . . Tuesday
ult. or ulto. . . . . Last Month
U. S. . . . . United States
U. S. A. . . . United States of America, United States Army
U. S. M. . . . . United States Mail
U. S. N. . . . . United States Navy
Va. . . . . Virginia
via . . . . . By way of
Vice-Pres. . . . . Vice-President
Viz. or viz. . . . . Namely; To Wit
vol. . . . . Volume
vs. . . . . Against
Vt. . . . . Vermont
Wash. . . . . Washington
W. B. . . . . Way Bill
Wed. . . . . Wednesday
Wk. . . . . Week
Wis. . . . . Wisconsin
Wt. or wt. . . . . Weight
W. Va. . . . . West Virginia
Wy. . . . . Wyoming
X . . . . . Extra; Ten
XL . . . . . Excel; Forty
XX, XXX . . . . . Double Extra, etc.
Xmas. . . . . Christmas
y. or yr. . . . . Year
Yd. or yds. . . . . Yards

SIGNS AND CHARACTERS

8. The following **signs** and **characters** are in daily use and should be thoroughly learned:

@ . . . To or At
a/c . . . Account Current
B/L . . Bill of Lading
B/R . . Bill Rendered
B/S . . Bill of Sale
¢ . . . Cents
c/o . . Care of
D/D . . Days After Date
D/S . . Days After Sight
F/B . . Free on Board
J/A . . Joint Account
L/C . . Letter of Credit
L/M . . Letters of Marque
£ . . . Pounds Sterling
% . . . On Account of Custom
% . . . Out of Courtesy

SIGNS AND CHARACTERS—(Continued)

% . . . Per Cent.	″ . . . Seconds; Inches; also used for Ditto Marks
℘ . . . Per	1^1 . . . One and one-fourth
$ . . . Dollars	1^2 . . . One and one-half
√ . . . Check-Mark; Radical Sign	1^3 . . . One and three-fourths
✱ . . . Means Number if written before a figure, as ✱40; but Pounds if written after, as 40✱	+ . . . (Plus.) Addition
" . . (Ditto.) The Same as Above	− . . . (Minus.) Subtraction
° . . Degrees	× . . . (By or times.) Multiplication
′ . . Primes; Minutes; Feet	÷ . . . (Divided by.) Division
	= . . . (Equality.) Equals

BUSINESS FORMS AND METHODS

9. A **deposit slip,** or **deposit ticket,** is a paper especially prepared and furnished by the banks, so that each depositor may fill out and present, with his Pass Book, a statement of the different items for deposit, such as gold, silver, checks, notes, drafts, etc. If the banker finds the items correct in all respects, he will place their sum to the depositor's credit in his Pass Book and on the books of the bank. Whenever a deposit of currency (gold, silver, or paper money) is to be made, the deposit slip is filled out as shown in Fig. 1.

If checks only are to be deposited, the deposit slip is filled out as shown in Fig. 2. If both currency and checks are to be deposited, the slip is filled out with each in its proper place and the amounts added.

10. **Signature Card.**—When an account is first opened at a bank, the depositor will be asked to sign a **Signature Book,** or **Card,** as shown in Fig. 3. This book or card is used by the bank to keep a record of the address and signature of each of its depositors. In signing the book, the depositor writes his full name, his address, and his signature as he habitually writes it. The style of signature should never be changed, and all business papers should be signed exactly as the signature is written in the signature book or on the card.

11. **Pass Book.**—On opening an account with a bank, the depositor is given a **Pass Book,** the two-page form of

DEPOSITED BY

Warren C. Smith

IN THE

International

Correspondence Schools Bank.

Scranton, Pa., April 7 190

	DOLLARS	CENTS
NOTES,	200	—
do. 1's and 2's	9	—
GOLD,	40	—
SILVER,		90
CHECKS: (In Scranton, name the Bank; out of Town, name the State.)		
	244	90

FIG. 1

DEPOSITED BY

Warren C. Smith

IN THE

International

Correspondence Schools Bank.

Scranton, Pa., April 7 190

	DOLLARS	CENTS
NOTES,		
do. 1's and 2's		
GOLD,		
SILVER,		
CHECKS: (In Scranton, name the Bank; out of Town, name the State.)		
City Bank	97	75
Pittston	64	80
	162	55

FIG. 2

FROM ADDRESS

Warren E. Smith, 46 Lackawanna Ave.

TO INTERNATIONAL CORRESPONDENCE SCHOOLS BANK, OF SCRANTON, PA.

Below please find duly authorized signature, which you will recognize in the payment of funds or the transaction of other business on my account.

Yours truly,

Warren E. Smith.

BUSINESS INTRODUCED BY

Provisions. O. T. Willis.

DATE

April 1, 190

FIG. 3

International Correspondence Schools Bank *In account with* Warren E. Smith, Cr.

Dr.

190			
April		2049 90	30 —
7		162 55	343 50
11		25 —	1 40
17		146 —	250 —
19		6 75	1 50
21		9 35	105 —
23		54 —	3 75
28		286 35	
		2800 90	2800 90

FIG. 4

No. 1 April 1, 190 O. T. Willis, rent for April, $30.00/100	30	—
No. 2 April 5, 190 J. A. Clark, mdse., $343.50/100	343	50
No. 3 April 10, 190 Geo. D. Collins, repairing lock, $1.40	1	40
	374	90

WARREN E. SMITH

Scranton, Pa., April 1, 190 No. 1

International Correspondence Schools Bank
OF SCRANTON.

Pay to the order of O. T. Willis $30.00
Thirty Dollars

Warren E. Smith.

WARREN E. SMITH

Scranton, Pa., April 5, 190 No. 2

International Correspondence Schools Bank
OF SCRANTON

Pay to the order of J. A. Clark $343.50
Three hundred forty-three & 50/100 Dollars

Warren E. Smith.

WARREN E. SMITH

Scranton, Pa., April 10, 190 No. 3

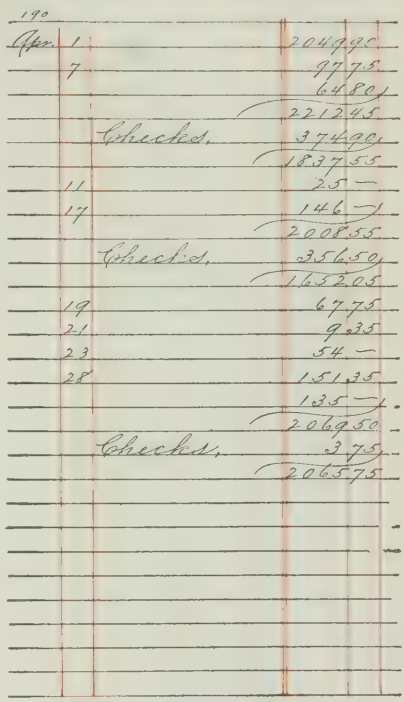
International Correspondence Schools Bank
OF SCRANTON.

Pay to the order of Geo. D. Collins $1.40/100
One & 40/100 Dollars

Warren E. Smith.

Fig. 5

which is shown in Fig. 4. All entries in this book are made by the bank clerks. It should always be taken to the bank when a deposit is made, when papers are left for collection, and when papers are discounted and the proceeds are to be placed to the credit of the depositor. The Pass Book should be balanced at least once a month, it being left at the bank for that purpose.



190			
Apr.	1		204 90
	7		97 75
			64 80
			221 45
		Checks,	37 40
			183 55
	11		25 —
	17		146 —
			200 55
		Checks,	35 50
			165 05
	19		67 75
	21		9 35
	23		54 —
	28		151 35
			135 —
			206 90
		Checks,	3 75
			206 75

Fig. 6

12. Checks.—After a deposit has been made and the amount entered to the credit of the customer in his Pass Book, the bank will then give him a Check-Book. This is a book of blank checks and is usually furnished free of charge by the banks. A sheet of checks, with the stubs attached, is shown in Fig. 5. These blanks are so worded that, when they are properly filled out, they become orders on the bank for money, payable on demand and without interest, to the person named, or to his order, or to the bearer. When it is desired to draw money from the bank, one of these checks is filled out with the date, the name of the person to whom the money is to be paid, and the amount. The check should be signed exactly like the signature was written on the signature card. A full description of the check is then made on the check-stub, and the check torn off for use.

13. Back of Check-Stubs.—Fig. 6 shows the back of the check-stubs. On this side of the stubs is kept a record

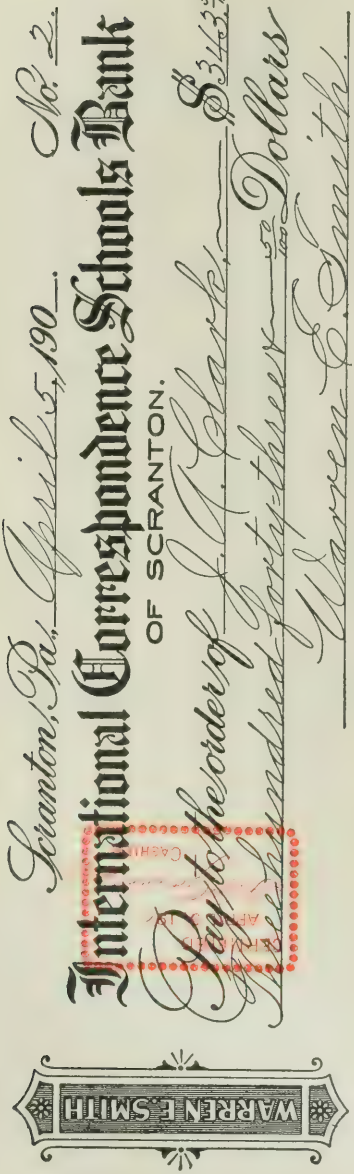


FIG. 7

of all deposits, and from their sum is deducted the amounts of the checks drawn, as shown by the footing of each page of check-stubs.

The balance should agree with the balance shown by the bank Pass Book, provided all checks drawn have been presented for payment. If all checks drawn have not been turned in, then the balance shown by the bank's books will be the larger by the amount of those checks drawn but not returned by the bank as having been paid.

14. A certified check is an ordinary check that has been certified by the cashier or teller of the bank on which it has been drawn; that is, he has stamped or written across the face—usually in red ink—the word "Certified," the date, and his signature. Such a check is shown in Fig. 7. The act of certifying a check makes the bank responsible for its payment, and not the person who drew it. The principal reason

for having a check certified is that the person receiving it will have a guarantee that it shall be paid.

15. Indorsements.—Checks, notes, and drafts are generally made payable to the order of the party receiving

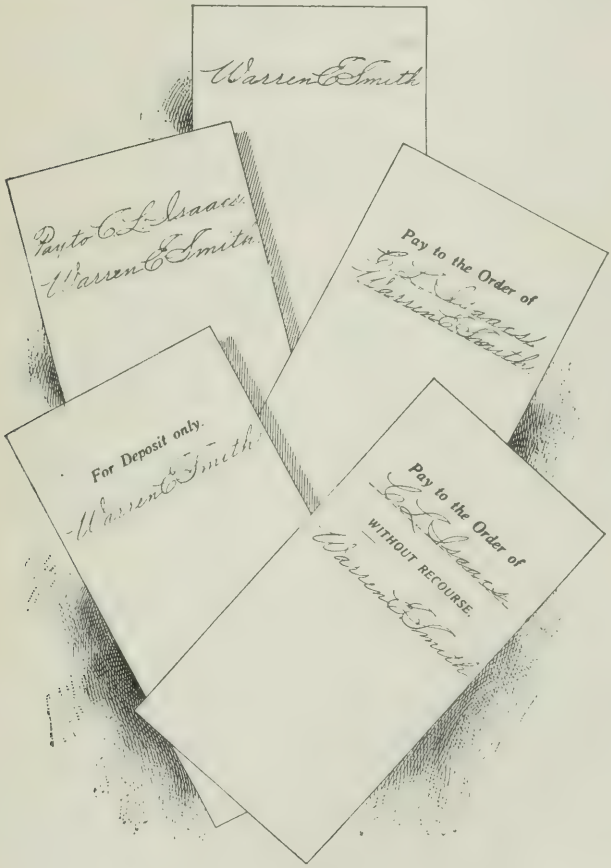


FIG. 8

them and must be indorsed before they can be deposited or transferred. The forms of indorsement in most common use are shown in Fig. 8.

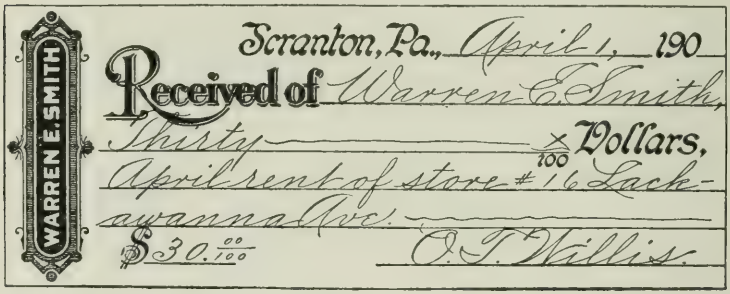
The name only, as shown on the back of the first check, is

a blank indorsement. Paper so indorsed by the party in whose favor it is drawn becomes payable to the bearer.

Paper indorsed "Pay to" will be paid only to the party named and cannot be transferred by him, but must be deposited to his account or collected in person.

The indorsement "Pay to the order of" allows a further transfer of the paper by the indorsement of the party named, and thus forms an indirect receipt showing that such a person received the paper.

"For deposit only" is the proper form of indorsement when papers are sent for deposit by mail or messenger, for they cannot then be put to any other use. Frequently, the


WARREN E. SMITH

Scranton, Pa., April 1, 190

Received of Warren E. Smith,

Thirty ——— ×/100 Dollars,

April rent of store #16 Lackawanna Ave.

$30.00/100 O. T. Willis.

Fig. 9

name of the bank in which they are to be deposited is given, as "For deposit only in the International Correspondence Schools Bank, of Scranton, Pa." Indorsements of this kind are generally made with a rubber stamp, the signature being included in the stamped indorsement.

The indorsement "Pay to the order of" a party "without recourse" releases the indorser from liability in case the paper is not paid. It is seldom used, however, because, except in a very few cases, the holder of a paper must indorse it and assume the liability for his indorsement, or he cannot find any one to whom he can turn over the paper, except for collection.

16. A **receipt** is a written acknowledgment of having received a specified value, with the date, source of value,

signature of the party who received the value, and such other particulars as may be necessary to make it plain and unquestionable. A common form of receipt is shown in Fig. 9. A receipt or voucher of some description should be taken whenever a payment is made. All vouchers of this description should be carefully preserved, as they save disputes, money, trouble, and frequently a lawsuit. A receipt should be so made out that its meaning shall be clearly understood.

17. An **invoice,** or **bill,** is an itemized statement of the quantities, prices, and amounts of articles sold by one person to another, with the date of the sale, terms, and discount allowed, if any, etc. It should be made out in a clear and comprehensive manner, itemizing each article so that a person of ordinary intelligence can check up the bill and tell in detail exactly what articles and values it represents. Care should be taken to have the writing and figures plain, so that no mistakes will occur in reading them.

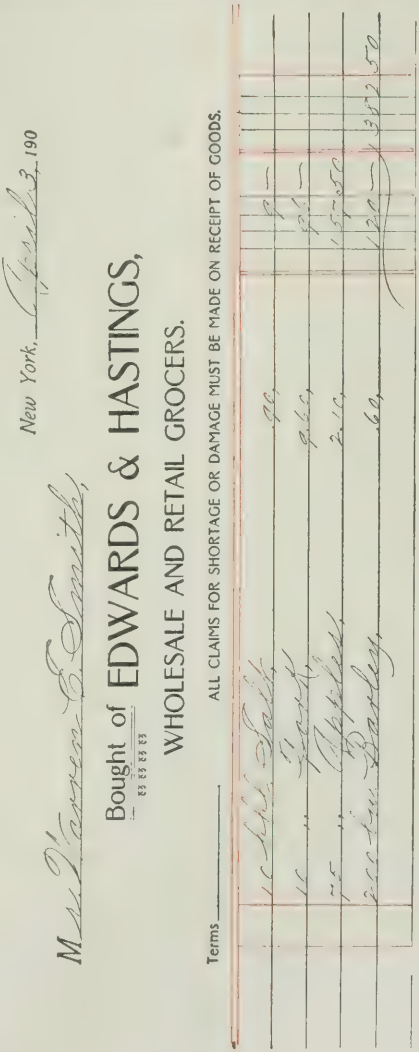
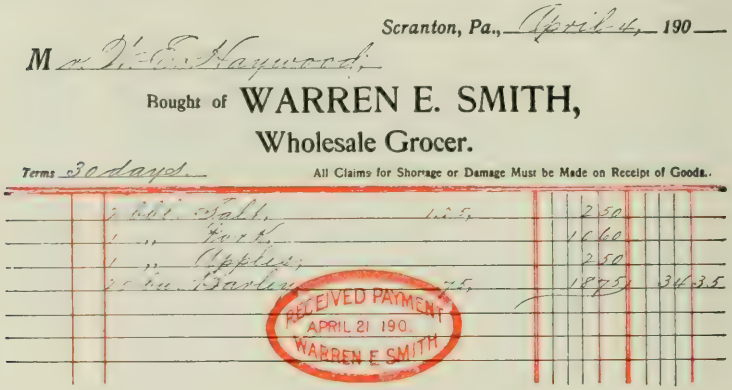


Fig. 10

The characters @ and $ need not be used in making out bills; they are unnecessary to a clear understanding of the bill, and take up valuable space and time. The use of the different columns and rulings on an ordinary bill head is fully illustrated in Fig. 10, which is self-explanatory.

Invoices should be numbered in the order of their receipt and when paid should be filed away in numerical order. If this is done, it is not necessary to itemize purchase entries, a reference to the invoice by number being sufficient.

A bill and an invoice are really the same thing, but for convenience we shall use the term *invoice* to designate bills


Scranton, Pa., April 4, 190—

M. W. E. Hayward,

Bought of WARREN E. SMITH,

Wholesale Grocer.

Terms 30 days. All Claims for Shortage or Damage Must be Made on Receipt of Goods.

2 bbl. Salt,	1.25	2 50			
1 " Pork		16 60			
1 " Apples,		2 50			
25 bu. Barley	.75	18 75	34 35		

RECEIVED PAYMENT APRIL 21 190. WARREN E SMITH

Fig. 11

of goods bought and the term *bill* to designate the invoices of goods sold. An illustration of a bill is shown in Fig. 11.

All invoices, statements, etc., when paid, should be receipted either with a rubber stamp, as shown in Fig. 11, or in a small, neat style of writing on the next or second line below the last item, and not across the face of the bill, unless absolutely necessary on account of lack of space. In all cases of part payment, only the amount paid should be entered on the bill or statement.

18. Notes.—A **promissory note** is an absolute promise, in writing, to pay on a certain date, or on demand, a specified sum of money to a person named therein, or to his order, or

to the bearer, and signed by the maker. Fig. 12 shows the form of this note most generally used. The manner of recording notes is shown in the Notes and Drafts Book. Notes given are Notes Payable; notes received are Notes Receivable.

There are also notes signed by more than one party, called *joint notes* and *joint-and-several notes*.

A **joint note** reads, "We jointly promise to pay"; it is supposed that each party has been equally benefited; hence, in the case of two makers of a note, only one-half of the note can be collected from each maker.

A **joint-and-several note** reads, "We jointly and severally promise to pay"; in this form of note the makers are united in the obligation, and the payee can collect from all the makers together, or the entire face of the note from any one of them, if he is worth that amount.

To be transferable, or negotiable as it is called, notes must be drawn payable "to the order of" or "to bearer." Any paper drawn payable only to a certain person cannot be transferred.

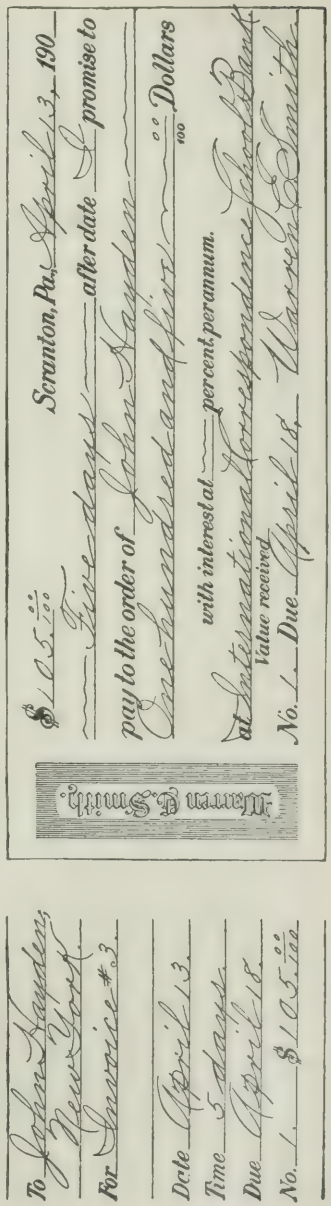


Fig. 12

The best method of collecting notes and accepted time drafts is to deposit them in the bank a few days before they are due and let the bank handle them; this is part of a bank's business, and its charge to customers for this service is usually but little or nothing.

19. Protest.—Notes having indorsers and not paid when due, must be protested for non-payment; otherwise, in most

United States of America.

STATE OF PENNSYLVANIA,
CITY OF SCRANTON, SS.:

BE IT KNOWN, That on the day and date hereof, at the request of the **International Correspondence Schools Bank,** of Scranton, Pa., the holder of the _____ hereto attached, I, ALBERT L. WATSON, NOTARY PUBLIC FOR THE COMMONWEALTH OF PENNSYLVANIA, by lawful authority duly commissioned and sworn, residing in the City of Scranton, Lackawanna County, presented the same,

at the bank where payable, to _____

the _____ and demanded payment thereof, which was refused and answer made—

WHEREUPON, I, the said Notary, at the request aforesaid, and do hereby solemnly protest against all persons and every party concerned therein, whether as Maker, Drawer, Drawee, Accepter, Payer, Endorser, Guarantor, Surety, or otherwise howsoever, against whom it is proper to protest, for all Exchanges, Costs, Damages and Interests, suffered and to be suffered for want of payment _____ thereof, of all which I notified the Makers and Endorsers

Witness my hand and official seal, this _____

day of _____ 190

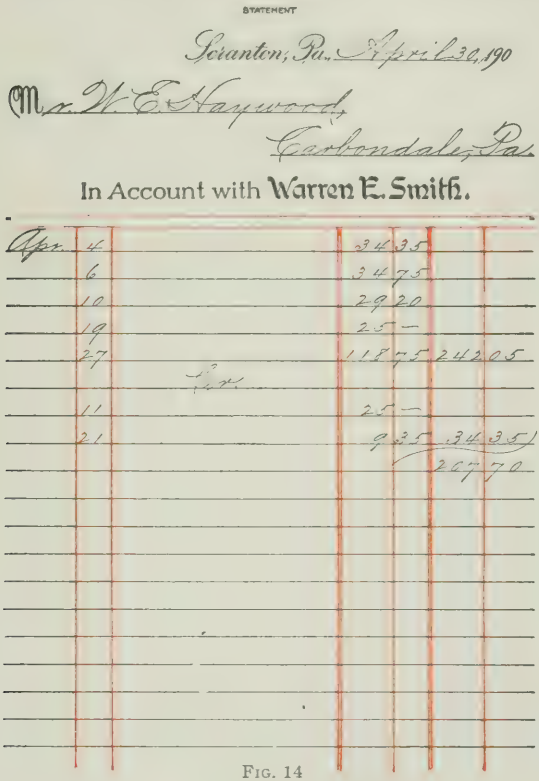
_____ *Notary Public.*

FIG. 13

states, the indorsers are released. Protesting a note is giving formal notice by the holder to the maker and indorsers, through a Notary Public, of its having been presented for payment and payment having been refused. A common form of such a notice is shown in Fig. 13.

20. Interest is the money paid for the use of money, and **discount** is interest paid in advance. Whether interest

is paid on a note or a discount is allowed, the face of the note always remains the same, and all entries to Notes Payable or Notes Receivable accounts must be for the face of the note; all items of interest and discount are entered to the Interest and Discount account. If notes are given



STATEMENT

Scranton, Pa., April 30, 190

Mr. W. E. Hayward,
Carbondale, Pa.

In Account with Warren E. Smith.

Apr.	4		34 35		
	6		34 75		
	10		29 20		
	19		25 —		
	27		118 75	242 05	
		Cr.			
	11		25 —		
	21		9 35	34 35	
				207 70	

Fig. 14

and interest is paid on them, the sum so paid must be charged to Interest and Discount account.

Days of grace will not be considered in this bookkeeping work.

21. Statement of Account.—It is customary for business houses to send their customers a **statement of account** at least once a month. This is simply a statement

showing the debits, or debits and credits, of the account of the person to whom it is sent. The form of statement commonly used is shown in Fig. 14; the first part alone is used if there are only debits on the account, and the full form if there are both debits and credits.

22. Ruling Up Accounts.—In order that the pages shall present a neat appearance when accounts are balanced and ruled up, special care is taken to have all lines begin and end at the desired points, as shown in Fig. 15. To

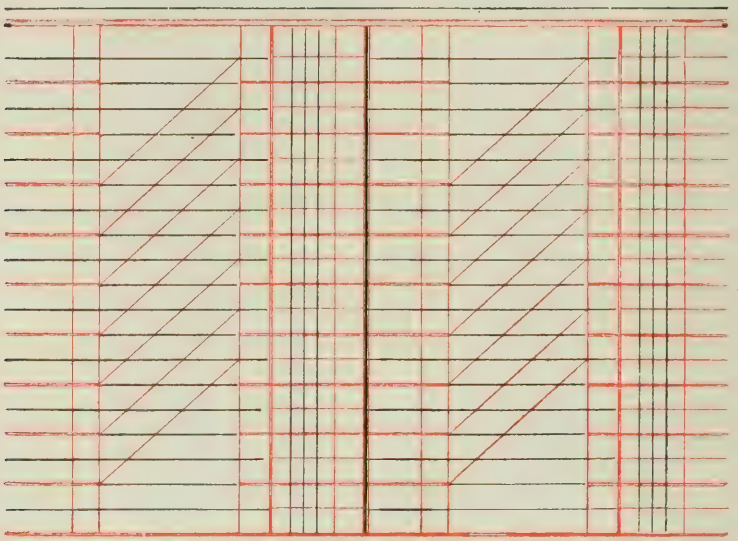


Fig. 15

get lines of a uniform width, the pen must not be overloaded or used until the ink gives out in the middle of a line, making it necessary to retrace. If, however, this must be done, care should be exercised not to increase the width of the line by ruling a little to one side of it.

23. A **price list,** or **price book,** is a sheet or book containing, in alphabetical order, a list of the goods in stock, with their cost and selling price. The selling price is sometimes given in net figures and sometimes in figures from which certain discounts are allowed.

1

Scranton, Pa., April 1, 190

		Warren E. Smith, have this day commenced business as a wholesale provision dealer at 15 Lackawanna Ave. in a store rented from C. T. Ellis for one year at $31 per month, payable monthly in advance. My resources and liabilities are as follows:										
1		Cash on hand,					204	90				
6		Merchandise inventory,					1271	55				
2		M. Jones & Wain, Ft. Fitton, owes me					261	04				
3		A. R. Barber, 50 Market St., Phila., owes me									511	21
1		Warren E. Smith, net investment,							3508	58		
			3									
6		Merchandise,					382	50				
4			Edwards & Kasting, 20 Beekman St., N.Y.							382	50	
		Invoice #1.										
			4									
7		W. E. Haywood,					34	35				
6		Carbondale, Pa.,	Merchandise,							34	35	
		2 bbl. Salt,	1.25,	2.50								
		1 " Pork,		10.60								
		1 " Apples,		2.50								
		25 bu. Barley,	.75,	18.75								
			5									
5		Geo. Wheeler,					11	—				
6		112 Madison Ave.,	Merchandise,							11	—	
		10 bu. Beans,	1.10,									
			6									
7		W. E. Haywood,					34	75				
6			Merchandise,							34	75	
		5 bbl. Beef,	6.95,									
			7									
5		Geo. Wheeler,					18	75				
6			Merchandise,							18	75	
		25 bu. Barley,	.75,									

FIG. 16

BOOKS

JOURNAL

24. The **Journal** is a book in which is entered a detailed statement of the transactions of which it is necessary to keep a record. An illustration of this book, together with the arrangement of the different parts of the entries, is shown in Fig. 16. All items not involving cash are entered in the Journal; all those in which cash appears, either received or paid out, are entered in the Cash Book. The amount of cash on hand, as shown by the opening entry in the Journal, is at once transferred to the debit, or left-hand, page of the Cash Book, preceded by an explanation of where it came from.

The figures in the narrow column at the left of the page are the numbers of the Ledger pages to which entries have been posted. When, in the opening entry or elsewhere, there appears a part of an entry it is not desired to post to the Ledger, it is indicated by a check-mark, as shown before the word Cash in the opening entry of this illustration.

The wide column between the folio and the money columns is for the detailed explanation of a transaction. The purpose of the vertical center line through the explanation column is chiefly to serve as a guide in placing the dates in a vertical line. The left-hand money column is for the debit amounts and the right-hand column for the credit amounts.

25. The **opening entry** in a Journal is a statement setting forth the condition of the proprietor's affairs on commencing business. It gives in detail the resources and liabilities of the business, the amount of the proprietor's net investment, names the kind of business to be carried on, where it is to be done, the amount of rent to be paid, if any, and how and to whom it shall be paid.

CASH BOOK

26. In the **Cash Book** is kept an account of all money received and paid out. Usually, this is the only account kept with Cash. An illustration of this book with the Journal form of ruling is shown in Fig. 17 (*a*) and (*b*).

Whenever cash is received, the amount is entered on the debit, or left-hand, page of the Cash Book; when paid out, on the credit, or right-hand, page. If this book is correctly kept, the debit side will always be the larger, except in the case of overdrawing the bank account, and the difference between it and the credit side will show, at any time, the exact amount of money on hand. This balance is proved by collecting all the money belonging to the business, including the amount on deposit. This proving is called *balancing Cash*, and should, without exception, be performed daily. By doing so, any omitted entry on either side will be brought to notice before the circumstances are forgotten. This not only saves trouble, but often the bookkeeper's situation.

The manner of entering the cash transactions in the Cash Book is very simple and readily understood by a reference to the illustration. The first column on either side is for the date, the narrow column for the Ledger page of the account to be debited or credited, and the wide column for the entry and explanation. If necessary, more than one line may be used for the explanation, but it should be made as brief as clearness will allow. The amounts are entered on each side of the book in the first money column.

To close the Cash Book, the amounts on both sides are added and the credit amount subtracted from the debit. The debit amount is the sum of the cash received during the month plus the amount on hand at the beginning; the difference between this and the credit amount is the sum on hand. This is proved as previously explained, and the balance written in red ink on the credit side underneath the last item, after which the columns are footed and ruled as shown and the balance brought down in black ink on the debit side as the amount on hand with which to begin the next business period.

2

Cash

19				
Apr. 1		Balance on hand,		2049 90
6	6	Merchandise, cash sale,		97 75
7	6	" " "		64 80
11	7	W. E. Haywood, on account,		25 —
17	6	Merchandise, cash sale,		146 —
19	6	" " "		67 75
21	7	W. E. Haywood, on account,		93 35
23	6	Merchandise, cash sale,		54 —
28	6	" " "		151 35
28	6	" " "		135 —
				2800 90
May 1		Balance on hand,		2065 75

Fig. 17 (*a*)

2

Cash.

190									
Apr.	1	11	Expense, rent for month			30	—		
	5	6	Merchandise, bought of J. R. Clark & Co.		34	35	50		
	10	11	Expense, repairs on tools			1	40		
	15	4	Edwards & Hastings, on account		25	0	—		
	18	11	Expense, postage stamps			1	50		
		10	Notes Payable, note payable to John Hayden			105	—		
	25	11	Expense, printing			3	75		
					2	50	90		

FIG. 17 (*b*)

NOTES AND DRAFTS. RECEIVABLE.

When Issued. 190		No.	Ledger Page.	Maker or Acceptor.	In Favor of	Where Payable	Given for	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April.	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.		Rate Int.	Amount of Interest.		When and How Disposed of 190		
Apr.	11	1		M. D. Jones	Myself	Jones' Office	On acct	Apr. 11.	30 ds	190					11								261	04	No					

NOTES AND DRAFTS. PAYABLE.

When Issued. 190		No.	Ledger Page.	Maker or Acceptor.	In Favor Of	Where Payable.	Given for	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April.	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.		Rate Int.	Amount of Interest.		When and How Redeemed 190		
Apr.	13	1		Myself	John Brown	1st Nat. Bank	Inv. 3.	Apr. 13.	5 ds	190				18									105	-	No			Apr. 18	Paid	

FIG. 18

The cash balance goes direct to the Trial Balance. It is not necessary to balance the Cash Book every time the cash is balanced, nor even at the bottom of each page; the page footings can be carried forward and the book balanced at the end of the month.

The great advantage in the use of the Cash Book is in having all receipts and expenditures of cash in such form as to be readily accessible when it is desired to look up the details of any cash transaction. There is also a great saving of labor in not having the different cash items to post.

NOTES AND DRAFTS BOOK

27. A **Notes and Drafts Book** is a memorandum book in which is kept a record of all notes and drafts payable and receivable. Any written promise to pay, such as a due bill or an order, may be treated as a note payable if given out or as a note receivable if received. This book is not usually posted from, but is generally kept as an auxiliary book. The form of ruling shown in Fig. 18 is one much used.

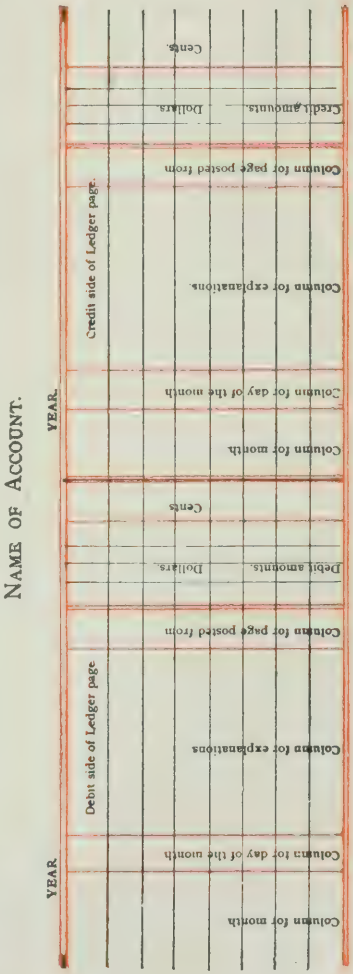


Fig. 19

LEDGER

28. The **Ledger** is a book of accounts. It shows the final summing up of all the transactions and the standing of all personal and miscellaneous accounts. The left-hand side of a Ledger page is the debit side; the right-hand side, the credit, and each side has columns for the dates, explanations, and pages of books from which items are posted, as shown in Fig. 19.

The object in keeping a Ledger is to collect together, under the heading of an account, all the transactions affecting that account, putting the debits and credits on their respective sides, with the date on which the transaction took place, the page of the Journal or other book from which the entries were brought to the Ledger account, and such other information as is deemed necessary. It is then apparent not only how much is due on any account, but also how much business, both debit and credit, has been done with any account.

29. The **indexing** of a Ledger means the writing of the names of all the accounts that appear in the Ledger in alphabetical order on the first pages of the Ledger, which are especially arranged for that purpose, by allotting a page or a number of pages to each letter of the alphabet. Small Ledgers are sometimes indexed by printing two or more letters on the same page, or in the same index column. All accounts that begin with the letter A should be placed in the index under the letter A, and all that begin with B should be placed under B, and so on through the entire alphabet as shown in the accompanying form.

Great care should be taken in writing the index to write the names very compactly, placing the initials and figures close to the name, thus saving as much space as possible in the index pages.

In the form given, the figure 3, following H. R. Barber's name, shows that his account is on page 3 in the Ledger; the figure 4, following the name of Edwards & Hastings,

shows that this account is on page 4 in the Ledger; the figure 11, following the word Expense, shows that this account is on page 11 of the Ledger; etc.

LEDGER INDEX

B
Barber, H.R., 3

E
Edwards & Hastings, 4
Expense, 11

H
Haywood, W. E., 7
Hayden, John, 8

J
Jones, M. F., 2

L
Loss and Gain, 12

M
Merchandise, 6

N
Notes Receivable, 9
Notes Payable, 10

S
Smith, Warren E., 1

W
Wheeler, Geo., 5

OPERATIONS

POSTING

30. Meaning of Term.—By **posting** is meant the transferring of all items of the same kind from the Journal and other books to one page in the Ledger and all items of another kind to another page; that is, all merchandise items are collected on one page, all notes-payable items on another, and all items of the proprietor's account on another; etc. All debit items of any account must be posted to the debit side of that account, and all credit items to the credit side.

31. Routine.—The details of posting are as follows: The name of the account is first written on the light-blue line at the top of the page in the Ledger; then the year, month, and day is entered in the date column; next, the page of the book from which the item is posted is entered in the folio column; then the amount of the item in the money column. When the posting of the item is complete, the number of the Ledger page is entered in the folio column of the book from which it was transferred.

32. Posting From the Journal.—It is a good plan, in posting from the Journal to the Ledger, to first post all the debit items on one page to the debit side of the accounts in the Ledger, then the credit items to the credit side, following the same order with each succeeding page.

Debit Items.—Turning to the first page of the Journal of the Model Set, we find that the first debit items are Cash, Merchandise, and M. F. Jones. A check-mark (√) is placed in the folio column before the item of Cash, to indicate that this item does not appear in the Ledger, all Cash items being carried to the Cash Book and no other account kept of them. The next item, which is Merchandise, is to be posted to the Ledger; therefore, a Merchandise account is opened in that book, in this case on page 6, and the item posted as follows: On the left-hand, or debit, side of the account the year 190– is first entered in the space above the date column and between the light line on which the heading of the account is written and the double headlines over the columns. The month and day, April 1, are then entered in the date columns, and the page of the Journal, which is 1, in the folio column; then the amount of the item, $1271.85, in the money column. The page of the Ledger account, 6, is then entered in the folio column of the Journal opposite the item just posted, and the work is complete. This routine is followed with the other debit items on the Journal page, new accounts being opened as they are needed.

Credit Items.—It will not be necessary to enter into the details of posting the credit items, as they are posted from the Journal to the Ledger precisely as the debit items, except that they are entered on the credit side of the account.

The reason for posting all the debit items on a page and then the corresponding credits, instead of first a debit item and then the credit item, is that the fewer changes made from posting debits to posting credits, the less liability there is of posting items to the wrong side of an account.

In actual practice, when posting, it is frequently found that one or more items of an account will balance. In such cases, many bookkeepers immediately rule off these items,

when the ruling for both sides of the account can be made on the same line, thus closing the account to the point at which it balances. (See the account of M. F. Jones in the Model Set.)

When the posting of all items is completed, the columns of each account in the Ledger are added and the footings written, with a pencil sharpened to a very fine point, in the explanation column on the same line as the figures of the last item posted, to the side of the account added. Placing the footing figures here will not interfere with the posting of additional items, and it will be easy to erase them if desired.

33. Posting From the Cash Book.—In posting from the Cash Book to the Ledger, it must be remembered that, if an entry made on the left-hand page of the Cash Book debits Cash, it must credit the account named in the entry; and, if an entry made on the right-hand side of the Cash Book credits Cash, it must debit the account named in the entry. Therefore, all items found on the debit side of the Cash Book must be posted to the credit side of the respective accounts in the Ledger, and all items found on the credit side of the Cash Book must be posted to the debit side of the respective accounts in the Ledger. When special columns are used in the Cash Book, their footings are posted to the proper side of their respective accounts in the Ledger the same as, but instead of, the separate items. The footings of the Cash Book show the total amount of cash received and paid out during the month; their difference shows the amount of cash on hand, which amount is taken direct into the Trial Balance from the Cash Book.

TRIAL BALANCE

34. A **Trial Balance** is the result of adding together all the debits in the Ledger in one sum, and all the credits in another, omitting those accounts that are in balance, as they have no effect on the Trial Balance. If the work in the Ledger is correct, the sum of the debits will be equal to the sum of the credits. The object of taking a Trial

Balance is to test the correctness of the work in the Ledger, but a Trial Balance, alone, is not sufficient proof that the work in the Ledger is absolutely correct, as it merely shows that, for every sum entered on the debit side, a corresponding sum has been entered on the credit side; that is, a Trial Balance is simply evidence, and not proof, of the correctness of the work. For example, if an account were credited with an item of $100 that belonged to some other account, it would not throw the Ledger out of balance, yet both of these accounts would show wrong amounts and be incorrect.

A Trial Balance is taken by writing on a sheet of journal paper the name of every open account the Ledger contains, including the total sum of their respective debits and credits, the sum of the debits in the left-hand, or debit, column of the sheet, and the credits in the right-hand, or credit, column; and the Ledger page of each account is written in the narrow column at the left, as shown in the Trial Balance of the Model Set. The debit and credit columns of the Trial Balance are added; if they agree the balance is supposed to be correct; if they do not agree, there is an error somewhere and the work must be reviewed to find it.

A Trial Balance is usually taken on the first of each month, but the books are not usually closed more than once a year, though some firms close them once in 6 months or oftener.

STATEMENT OF THE BUSINESS

35. After getting a Trial Balance, the next thing to do is to make a **Statement of the Business,** which is sometimes called a **Balance Sheet.** The principal object of this statement is to ascertain the exact financial standing of the business, and at the same time it will be of assistance in closing the books.

Before attempting to make this statement it will be absolutely necessary to thoroughly understand how to classify the accounts, as every account in the Ledger, excepting the proprietor's, must be classified in the statement either as a resource, a liability, a loss, or a gain.

36. A **resource** is anything belonging to the business that has a cash value, such as the various amounts due from other persons on account, merchandise on hand, notes receivable, cash, store and office furniture, real estate, chattels, stocks, etc.; in fact, anything of value that belongs to the business.

37. A **liability** is anything in the nature of a debt that will have to be paid at some future time; such as the amounts due other persons on account, notes payable, etc., any debt or amount that must be paid by the business.

38. A **gain** is the profit of a business, and is usually found in such accounts as Merchandise, Interest and Discount, Commission, Real Estate, Stocks, etc.

39. A **loss** is the opposite of a gain and is the natural result of a failure to gain. It is usually found in such accounts as Expense, Merchandise, Interest and Discount, Commission, Real Estate, Stocks, etc.

40. Classifying Accounts.—It will be seen from the foregoing that there are two kinds of accounts—those the nature of which is to produce a loss or a gain, called **Loss and Gain accounts;** and those the nature of which is not to produce a loss or a gain, called **Resource and Liability accounts.** They are further classified by calling the Resource and Liability accounts, **non-speculative accounts;** and the Loss and Gain accounts, **speculative accounts.** It is necessary, before deciding whether an account goes into the Resource and Liability part of the statement or into the Loss and Gain part, to determine whether it is a speculative or non-speculative account.

Rule.—*Speculative accounts are all but Cash, personal, Notes Payable and Receivable, Drafts Payable and Receivable, Mortgages Payable and Receivable, and others of a like nature.*

When the debit side of any account in the Ledger is the larger, the difference is either a resource or a loss. To determine where, in the statement, such an account belongs, it

must be decided whether it is a speculative or non-speculative account. If the account in question is the Cash account, a personal account, a Notes Receivable account, a Drafts Receivable account, or a Mortgages Receivable account, the difference is a resource; if the account is any other than of this nature and the debit side is the larger, it is a loss.

When the credit side of any account in the Ledger is the larger, the difference is always a liability or a gain. To determine which it is, it must first be decided whether the account is speculative or non-speculative. If the account in question is a personal account, a Notes Payable account, a Drafts Payable account, or a Mortgages Payable account, then the difference between the sides is a liability; if the account is any other than of this nature and the credit side is the larger, the difference between the sides is a gain.

The debit balance of every non-speculative account is a resource to the business, and the debit balance of every speculative account is a loss; the credit balance of every non-speculative account is a liability to the business, and the credit balance of every speculative account is a gain. If the sum of the resources is greater than the sum of the liabilities, the difference is the proprietor's Present Worth; if the sum of the liabilities is greater than the sum of the resources, the difference is the sum of the proprietor's insolvency. The difference between the Present Worth of the proprietor and his worth in the beginning shows his net gain or loss; that is, if he is worth less now than on beginning business, he has lost just that much; if he is worth more now than when he began business, he has gained just that much. The difference between the sum of the gains and the sum of the losses also shows the net gain or loss. If the sum of the gains is the larger, that difference is the net gain; if the sum of the losses is the larger, that difference is the net loss.

A Statement of the Business is made by arranging each account under its proper heading, as shown in the Statement of the Model Set. All the accounts in the Trial Balance

that show a resource are selected and arranged as shown in the resources of the Model Set, and then the accounts that show a liability are arranged as shown under Liabilities. The total sum of the liabilities is subtracted from the total sum of the resources; the difference is the proprietor's Present Worth, which is entered the same as Warren E. Smith's Present Worth is given in the Model Set.

All the accounts in the Trial Balance that show a gain are arranged in the statement as shown in the Statement of the Model Set, and then the accounts that show a loss are arranged as shown. The total sum of the losses is subtracted from the total sum of the gains, and the difference is the net gain. Next, the Stock account is arranged in the statement as shown by the account of W. E. Smith in the Model Set, showing the amount invested, the amount of the gain, and the sum of the two, which is the proprietor's Present Worth on the day of closing the books.

CLOSING BOOKS

41. Closing an account means making it balance, and closing a set of books means closing, or balancing, all accounts in the Ledger that show a loss or gain, into the Loss and Gain account. This is a summing up account for the losses and gains, and receives, in a brief form, the net loss or gain on each speculative account. In the Loss and Gain account the speculative accounts are summed up and the difference entered in red ink on the smaller side, from which it is carried to the opposite side of the proprietor's account, where it is entered in black ink. As only such accounts as show a gain or loss are closed, it is necessary to deal with but speculative accounts.

To close an account, the difference between the sums of the two sides is first found; this amount is entered on the smaller side, in red ink, together with the date and the words Loss and Gain, or the letters L. & G. to indicate it. This balances, or closes, the account in question. Next, a Loss and Gain account is opened in the Ledger and properly

indexed. The figures showing the page are entered in the folio column of the account closed and then the red-ink balance is transferred in black ink to the opposite side of the Loss and Gain account. The date column of the Loss and Gain account shows the date on which the account was closed; the explanation column, the name of the account; the folio column, its Ledger page; and the money column, the amount that was necessary to close, or balance, the account.

After all the speculative accounts in the Ledger are closed to the Loss and Gain account, the Loss and Gain account is closed to the proprietor's account, in the same manner as the speculative accounts, except that in the explanation column is written the name of the proprietor instead of Loss and Gain; this closing entry is then transferred in black ink to the opposite side of the proprietor's account, giving the date, the letters L. & G. to show where the entry came from, the page of the L. & G. account, and the amount. This completes the closing of the speculative accounts and the carrying of the net gain or loss to the proprietor's account. Next, rule up all the accounts in the Ledger that balance, as shown in the accounts in the Model Set.

The non-speculative accounts, which are nearly all personal accounts, are not generally balanced when the books are closed. The great number of these accounts on most books would make it almost a physical impossibility for the regular bookkeeper to balance them and do the routine work, and there is nothing to gain by closing them, as the balances can be taken from the Trial Balance and carried to the Resource and Liability statement.

If, however, it is thought best to close the non-speculative accounts, it is done in the following manner: A Resource and Liability account is opened in the Ledger and properly indexed; then each of the non-speculative accounts is closed in turn, beginning with the first one after the proprietor's account (the proprietor's account closes to Resource and Liability account, but is reserved for the last account to close it and should make the Resource and Liability account exactly balance), writing, on each account closed, the date, the letters

R. & L. to indicate that the account is closed to Resources and Liabilities, the page of the R. & L. account, and the amount of the balance.

This closing entry on each account is made in red ink, and is immediately transferred in black ink to the opposite side of the R. & L. account, giving the date, the name of the account from which the entry was obtained, the page of the account, and the amount. This is done with every account now open on the Ledger (all speculative and other accounts that were in balance having been ruled up previously), including the proprietor's account; all these are carried to the R. & L. account and should make it balance exactly. All accounts in the Ledger are then ruled up, and the Resource and Liability balances brought down in black ink on the opposite side of the account from which they were entered in red, under the date of the first day of the next business period.

When all the R. & L. balances have been brought down, a Trial Balance of these balances, called a Balance of Balances, is taken to see whether all have been brought down and whether the Ledger is in balance. If found to be correct, it is copied into the Journal or a Statement Book, following the Statement of the Business.

MODEL SET

42. General Merchandise Business.—The following transactions and the accompanying illustrations show the use and manner of handling the various books and papers previously explained.

The transactions are first entered in the Journal and the Cash Book and are then posted to the Ledger, after which the Cash Book and Check-Book are balanced and ruled up. The date lines in the Journal should also be ruled as shown in the illustration. A Trial Balance is then made, beginning by entering on it the cash balance as shown by the Cash Book and proceeding as directed in the instructions for this part of the work. Next, an inventory is made. In actual business

this would be done by taking account of the goods in the store. In this case, it is necessary to make a list of the articles on hand at the beginning as well as of those bought during the month and deduct those sold in the same period. After this, a Statement of the Business is made out, the Ledger being then closed and ruled up and the balances brought down as shown in the illustrations.

But three of the checks required in these transactions are shown. The backs of the check-stubs, however, show the various amounts drawn by check, as well as the different deposits.

In amounts where there are no cents, it is good practice to place a dash in the cents column, as shown in the illustrations. A dash is more quickly made than two ciphers and is more easily passed over in adding. If the cents column is left blank, there is nothing to show that it is intentional and not an error.

In this set the posting to the Ledger is done at the end of the month; in actual business, the posting would be done daily.

INVENTORY

Article	Quantity	Cost	Amount
Apples,	75 bbl.	2.10	157.50
Barley,	76 bu.	.60	45.60
Beans,	20 "	.90	18.00
Beef,	30 bbl.	6.20	186.00
Fish,	19 "	12.25	232.75
Flour,	49 "	5.60	274.40
Pork	35 "	9.60	336.00
Salt,	24 "	.90	21.60
			1271.85

PRICE LIST

Article	Quantity	Cost Price	Selling Price
Apples,	bbl.	2.10	2.50
Barley,	bu.	.60	.75
Beans,	"	.90	1.10
Beef,	bbl.	6.20	6.95
Fish,	"	12.25	12.75
Flour,	"	5.60	6.60
Pork,	"	9.60	10.60
Salt,	"	.90	1.25

TRANSACTIONS

Scranton, Pa., April 1, 190

I, Warren E. Smith, have this day commenced business at 16 Lackawanna Ave., as a wholesale provision dealer.

The store room at the above place has been leased from O. T. Willis, at a monthly rental of $30.00, payable in advance.

My resources and liabilities are as follows:

Resources

Cash,	2049.90
Merchandise, as per inventory,	1271.85
M. F. Jones, 25 Main St., Pittston, Pa.,	261.04

Liabilities

H. R. Barber, 516 Market St., Philadelphia, Pa.,	74.21
Warren E. Smith's net investment,	3508.58

Make the opening entry in the Journal and enter the cash in the Cash Book.

Make out a deposit slip and deposit, entering the amount on the back of the check-stubs in the Check-Book.

— 1 —

Paid O. T. Willis, for April rent, $30.00.

Check-Book.

Cash Book. Charge to Expense.

—3—

Bought from Edwards & Hastings, 520 Beekman St., New York, on account,

10 bbl. Salt,	.90	9.00	
10 " Pork,	9.60	96.00	
75 " Apples,	2.10	157.50	
200 bu. Barley,	.60	120.00	382.50

Journal.

—4—

Sold to W. E. Haywood, Carbondale, Pa., on account,

2 bbl. Salt,	1.25	2.50	
1 " Pork,		10.60	
1 " Apples,		2.50	
25 bu. Barley,	.75	18.75	34.35

Journal.

—5—

Bought from J. A. Clark, 309 Barclay St., N. Y., for cash,

10 bbl. Flour,	5.60	56.00	
15 " Beef,	6.20	93.00	
10 " Fish,	12.25	122.50	
80 bu. Beans,	.90	72.00	343.50

Check-Book.
Cash Book.

—5—

Sold to George Wheeler, 112 Madison Ave., on account,

10 bu. Beans,	1.10	11.00

Journal.

—6—

Sold for cash,

50 bu. Barley,	.75	37.50	
5 bbl. Beef,	6.95	34.75	
2 " Fish,	12.75	25.50	97.75

Cash Book.
Hold cash until directed to make a deposit.

—6—

Sold to W. E. Haywood, on account,

5 bbl. Beef,	6.95	34.75

Journal.

—— 7 ——

Sold to George Wheeler, on account,

25 bu. Barley,	.75	18.75

Journal.

—— 7 ——

Sold for cash,

5 bbl. Flour,	6.60	33.00	
3 " Pork,	10.60	31.80	64.80

Cash Book.

Make out deposit slip and deposit with amount held on the 6th. Enter on back of check-stubs in Check-Book.

—— 8 ——

Bought from John Hayden, 102 Grand St., New York, on account,

10 bbl. Salt,	.90	9.00	
10 " Pork,	9.60	96.00	105.00

Journal.

—— 10 ——

Paid cash for repairs on door lock, $1.40.

Check-Book.

Cash Book. Charge to Expense.

—— 10 ——

Sold to W. E. Haywood, on account,

2 bbl. Salt,	1.25	2.50	
2 " Pork,	10.60	21.20	
5 bu. Beans,	1.10	5.50	29.20

Journal.

—— 11 ——

Received a 30-day note from M. F. Jones, in payment of his account, $261.04.

Journal.

Notes and Drafts Book.

—— 11 ——

Received from W. E. Haywood, cash on account, $25.00.

Cash Book.

Deposit and enter on back of check-stubs in Check-Book.

—— 12 ——

Sold to M. F. Jones, on account,

10 bbl.	Salt,	1.25	12.50	
5 "	Pork,	10.60	53.00	
10 "	Apples,	2.50	25.00	90.50

Journal.

—— 13 ——

Gave John Hayden my 5-day note in payment of invoice of 8th, $105.00.

Journal.

Notes and Drafts Book.

—— 14 ——

Sold to George Wheeler, on account,

12 bbl.	Apples,	2.50	30.00

Journal.

—— 15 ——

Paid to Edwards & Hastings, cash on account, $250.00.

Check-Book.

Cash Book.

—— 17 ——

Sold for cash,

8 bbl.	Fish,	12.75	102.00	
40 bu.	Beans,	1.10	44.00	146.00

Back of check-stubs in Check-Book.

Cash Book.

—— 18 ——

Paid for 75 stamps, $1.50.

Check-Book. Draw check to the order of "Myself" and pay currency for stamps.

Cash Book. Charge to Expense.

—— 18 ——

Paid my 5-day note in favor of John Hayden, due today, $105.00.

Check-Book.

Cash Book.

Mark paid in Notes and Drafts Book.

—— 18 ——

Bought from John Hayden, on account,

5 bbl. Salt,	.90	4.50	
5 " Pork,	9.60	48.00	
8 " Beef,	6.20	49.60	102.10

Journal.

—— 19 ——

Sold to W. E. Haywood, on account,

10 bbl. Apples,	2.50	25.00

Journal.

—— 19 ——

Bought from Edwards & Hastings, on account,

65 bu. Beans,	.90	58.50	
2 bbl. Fish,	12.25	24.50	
25 " Apples,	2.10	52.50	
90 bu. Barley,	.60	54.00	189.50

Journal.

—— 19 ——

Sold for cash,

5 bbl. Flour,	6.60	33.00	
5 " Beef,	6.95	34.75	67.75

Cash Book.
Back of check-stubs.

—— 21 ——

Received cash from W. E. Haywood, in full for bill of 4th, $9.35.

Cash Book.
Back of check-stubs.

—— 23 ——

Sold for cash,

40 bu. Beans,	1.10	44.00	
8 bbl. Salt,	1.25	10.00	54.00

Cash Book.
Back of check-stubs.

—— 25 ——

Paid cash for printing, $3.75.

Check-Book.
Cash Book. Charge to Expense.

—— 27 ——

Sold to W. E. Haywood, on account,

75 bu. Barley,	.75	56.25	
25 bbl. Apples,	2.50	62.50	118.75

Journal.

—— 28 ——

Sold for cash,

5 bbl. Beef,	6.95	34.75	
11 " Pork,	10.60	116.60	151.35

Cash Book.

—— 28 ——

Sold for cash,

39 bbl. Apples,	2.50	97.50	
50 bu. Barley,	.75	37.50	135.00

Cash Book.

Deposit day's receipts and enter amount on back of check-stubs.

—— 30 ——

Rule date lines in Journal.

Balance and rule Cash Book.

Post to Ledger; from the Journal first, beginning with the items of the opening entry; then from the Cash Book, debit side first. Whenever, in posting, an account, or part of an account balances, rule it up.

Take a Trial Balance.

Make out a Statement of the Business.

Close the books and bring down inventory and balances.

INVENTORY

Article	Quantity	Cost	Amount
Apples,	78 bbl.	2.10	163.80
Barley,	141 bu.	.60	84.60
Beans,	70 "	.90	63.00
Beef,	33 bbl.	6.20	204.60
Fish,	21 "	12.25	257.25
Flour,	49 "	5.60	274.40
Pork,	38 "	9.60	364.80
Salt,	27 "	.90	24.30
			1436.75

JOURNAL

1

Scranton, Pa. April 1, 190

		I, Warren E. Smith, have this day commenced business as a wholesale provision dealer, at 1 Lackawanna Ave. in a store rented from C. T. Willis for one year, at $30 per month, payable monthly in advance. My resources and liabilities are as follows:			
1		Cash on hand,	5 2 9 90		
6		Merchandise in inventory,	1 2 7 1 85		
2		M. T. Jones, 25 Main St., Pittston, owes me	2 1 4		
3		H. R. Barker, 516 Market St., Phila., owes me		7 6 2 1	
1		Warren E. Smith, net investment			3 5 8 8 58
		3			
6		Merchandise,	3 0 2 50		
4		Edwards & Hastings, 520 Beekman St., N.Y.			3 0 2 50
		Invoice #1.			
		4			
7		W. E. Haywood,	3 4 3 35		
6		Carbondale, Pa. Merchandise,			3 4 3 35
		2 bbl. Salt, 1.25,	2.50		
		1 " Pork,	16.60		
		1 " Apples,	2.50		
		25 bu. Barley, .75,	18.75		
		5			
5		Geo. Wheeler,	1 1 —		
6		112 Madison Ave. Merchandise,			1 1 —
		10 bu. Beans, 1.10,			
		6			
7		W. E. Haywood,	3 4 75		
6		Merchandise,			3 4 75
		5 bbl. Beef, 6.95,			
		7			
5		Geo. Wheeler,	1 8 75		
6		Merchandise,			1 8 75
		25 bu. Barley, .75,			

2

April 8, 190

6	Merchandise,		105 —	
8		John Hayden,		105 —
		C/ J and M. No. 3.		
	Invoice #3.			
		16		
7	W. E. Haywood,		29 20	
6		Merchandise,		29 20
	2 bbl. Salt,	1.25, 2.50		
	2 " Pork,	10.60, 21.20		
	5 bu. Bran,	1.10, 5.50		
		17		
7	Notes Receivable,		261 04	
2		M. F. Jones,		261 04
	Received a 30-day note in payment of his account.			
		12		
2	M. F. Jones,		90 50	
6		Merchandise,		90 50
	10 bbl. Salt,	1.25, 12.50		
	5 " Pork,	10.60, 53.—		
	10 " Apples,	2.50, 25.—		
		13		
8	John Hayden,		105 —	
10		Notes Payable,		105 —
	Gave my 5 day note in payment of invoice #3.			
		16		
5	Geo. Wheeler,		30 —	
6		Merchandise,		30 —
	12 bbl. Apples,	2.50,		
		18		
6	Merchandise,		102 10	
8		John Hayden,		102 10
	Invoice #4.			
		19		
7	W. E. Haywood,		25 —	
6		Merchandise,		25 —
	10 bbl. Apples,	2.50,		

3

April 19, 190

6	Merchandise		179 50	
6		Edwards & Hastings		179 50
	Invoice #5.			
7	H. E. Dagwood		115 75	
6		Merchandise		115 75
	75 bu. Corn @	75 5625		
	25 bbl. Apples	250 6250		

BANK PASS BOOK

International Correspondence Schools Bank In account with Warren & Smith

Dr. Cr.

190					
Apr 1		284 90		30 —	
7		162 —		343 50	
11		25 —		140	
17		145 —		250 —	
19		175 —		150	
21		95 —		105 —	
23		54 —		3 75	
25		284 35		[illegible]	
		280 90		280 90	

CASH BOOK

2

Cash

192				
Apr. 1	✓	Balance on hand,		2049 90
6	6	Merchandise, cash sales,		97 75
7	6	" " "		64 80
11	7	W. E. Haywood, on account,		25 —
17	6	Merchandise, cash sales,		146 —
19	6	" " "		67 75
21	7	W. E. Haywood, on account,		9 35
23	6	Merchandise, cash sales,		54 —
28	6	" " "		151 35
28	6	" " "		135 —
				2800 90
May 1		Balance on hand,		2065 75

CASH BOOK

2

Cash

190—				
Apr. 1	11	Expense, rent for month	30 —	
5	6	Merchandise bought of W. C. Fair	343 50	
10	11	Expense, repairs on book	1 40	
15	4	Edwards & Hastings, on account	50 —	
18	11	Expense, postage stamps	1 50	
10		Notes Payable, note in favor John Taylor	105 —	
25	11	Expense, printing	3 75	
			534 15	

LEDGER

1

Warren E. Smith, Proprietor.

190						190						
Apr. 30	Resent Worth		3623	18		Apr.	1		1	3505	58	
							30	L. & G.	12	118	60	
			3623	18						3623	18	
						May	1	Resent Worth		3623	18	

2

M. F. Jones, 25 Main St., Pittston, Pa.

190						190						
Apr.	1		1	261	04	Apr.	11		2	261	04	
Apr.	12		2	90	50							

3

N. R. Barber, 516 Market St., Phila.

190						190						
						Apr.	1		1	741	21	

4

Edwards & Hastings, 520 Beekman St., N.Y.

190						190						
Apr.	15		2	250	—	Apr.	3		1	352	50	
							19		3	189	50	

5

Geo. Wheeler, 110 Madison Ave.

190																								
Apr.	5				1			1	1	—														
	7								1	5	75													
	14				2				3	0	—													

6

Merchandise.

190																								
Apr.	1				1			2	7	1	85	Apr.	4			1			3	4	35				
	3							3	5	2	50		5							1	1	—			
	8				2				4	1	5	—		6						3	4	75			
	18								1	9	2	10		7						1	8	75			
	19				3					1	9	20		10			2			1	9	20			
	5				2			3	4	3	50		13							9	50			
		Cap.											14							3	0	—			
													19							2	5	—			
													21				3			1	8	75			
													26				2			9	7	75			
													27							1	4	50			
													28							1	4	1	—		
													29								1	5	75		
													30								5	7	5		
													31								5	4	—		
													31							1	5	1	35		
																					1	5	—		
																		Inv.						1	5
					2			2	4	7	35						2			1	4	5	50		
May	1	Inv.						4	5	—	75														

7

W. E. Haywood, Cardondale, Pa.

190																								
Apr.	4				1			3	4	3	50	Apr.	11			2			5	—				
	6							2	4	7	5		21						9	3	5			
	10				2			2	9	2	0													
	19							2	5	—														
	27				3			1	1	8	75													

8

John Hayden, 102 Grand St., N.Y.

140						140					
Apr.	13		2	105	—	Apr.	8		2	105	—
						Apr.	18		2	102	10

9

Notes Receivable

140											
Apr.	11		2	261	04						

10

Notes Payable

140						140					
Apr.	18		2	105	—	Apr.	13		2	105	—

11

Expense

140						140					
Apr.	1		2	30	—	Apr.	30	P & L	12	36	65
	10			1	40						
	15			1	50						
	25			3	75						
				36	65					36	65

12

Loss & Gain

190							190						
Apr	30	Expenses	11	36	65		Apr	30	Mdse	6	1	2	5
	30	H. Smith,		1	1	2					1	1	2

Trial Balance, April 30, 190

		Cash,	1	2
1		Accounts Smith,		1
2		Mdse,	9	5
3		Bills Payable,		
4		Expenses & Interest,	2	5
5		Real Estate,	5	9
6		Merchandise,	2	4
7		Bills Receivable,	1	1
8		John Brown,		
9		Notes Receivable,	2	1
11		Expenses,	3	6
			5	4

NOTES AND DRAFTS. RECEIVABLE.

When Issued. 190		No.	Ledger Page.	Maker or Acceptor.	In Favor of	Where Payable	Given for	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.		Rate Int.	Amount of Interest.		When and How Disposed of 190	
Apr.	11	1		W. J. Jones	Myself	Jones' Office	On acct.	Apr. 11.	30 ds.	190					11								261	00	No.				

NOTES AND DRAFTS. PAYABLE.

When Issued. 190		No.	Ledger Page.	Maker or Acceptor.	In Favor Of	Where Payable.	Given for	Date of Paper.	WHEN DUE. Time.	Year.	Jan.	Feb.	Mar.	April	May.	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Amount.		Rate Int.	Amount of Interest.		When and How Redeemed 190	
Apr.	13	1		Myself	John Hayden	A. C. Bank	Inv. 3.	Apr. 13.	5 ds.	190					18								105	-	No			Apr. 18	Bank

Statement of Warren E. Smith's Business, Apr. 30, 190

Resources:			
Cash,	206 575		
Merchandise,	1436 75		
Notes Receivable,	261 04		
M. F. Jones,	90 50		
Geo. Wheeler,	59 75		
W. E. Haywood,	20 70	4021 49	
Liabilities:			
H. R. Barber,	74 21		
Edwards & Hastings,	322 —		
John Hayden,	102 10	498 31	
Warren E. Smith's Res Worth,			3623 18
Gains:			
Merchandise, Sold, 1102 95			
Inv't, 1436 75			
Reduced, 2545 70			
Cost, 2394 45			
Gain,			151 25
Losses:			
Expense, Cost,			36 65
Warren E. Smith's gain,			114 60
Warren E. Smith, Proprietor.			
Investment, April 1,	3508 58		
Gain, " 30,	114 60		
Present Worth,			3623 18

DOUBLE-ENTRY BOOKKEEPING

(PART 2)

SPECIAL FORMS OF BOOKS

1. Introduction.—In this Section we shall give new forms for some of the books used in the previous Section. Many employers have their own special forms of books, those explained here being frequently used. The student should be familiar with these, since he may be called on to handle them in practical work.

The books used will be a Banking Ledger, Journal, Cash Book, Order Book, Sales Book, Purchase Book, and Ledger, and we shall illustrate the manner of opening and closing partnership accounts and dividing the gains or losses. Each partner will have two accounts: one called a stock account, for his investment and gains or losses; the other a personal account, for his purchases and other transactions with the firm, which account is kept the same as that of any customer. The object of this is to avoid any difficulty in dividing the gains or losses in proportion to the investment of the partners, as by this plan the investments are not changed, which would be the case if one account with each partner were used for all transactions.

METHODS AND FORMS

2. Posting.—Purchase Books and Sales Books are sometimes paged differently, so that the page number, as it appears in the Ledger, will indicate the book posted from. If the Sales Book is paged with odd numbers and the Purchase Book with even numbers, then, when posting or taking

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a trial balance, if an even-numbered page is found on the debit side of a customer's account or an odd-numbered page on the credit side of an account of a person from whom goods are bought, it will clearly indicate an error in posting. The use of books paged this way will help to avoid errors as well as to locate them if made.

A plan that is sometimes followed in posting is to first enter all the Ledger pages in the book posted from and then check off the items as posted. This is a good plan when many references must be made to an index, as it may save time and there will be less liability of making errors in the amounts posted; otherwise, it is a better plan to enter these pages only as fast as the posting is done.

3. Check-Sheet.—Many errors in posting will be quickly detected and much of the trouble in getting trial balances avoided if a **check-sheet** is kept while posting. Any kind of blank paper may be used for this purpose.

In posting from the Journal, post all debit items first. When an amount has been posted, and before placing the number of the Ledger page in the folio column of the Journal, copy the amount just posted on the check-sheet. When all the debit items have been posted, fold the check-sheet so that the figures just made cannot be seen, and post the credit items. If the posting has been correctly done, the columns of figures on the check-sheet should agree and should be the same as the columns of the Journal.

The object of entering the posted amounts on a check-sheet in this manner is to catch any change or transposition of figures as posted; by writing the figures on a check-sheet as soon as posted, any error in posting will be quite likely to be copied on the check-sheet and thus quickly detected.

A check-sheet for the postings of a Sales Book, Purchase Book, or for each side of a Cash Book, must be compared with the items of the book, or the sheet may be footed and the footings compared with the footings of the book.

4. Padded Checks.—Instead of a check-book as used in the previous Section, we show the use of checks put up in

pads, as shown in Fig. 1, and keep accounts of deposits and withdrawals in a Banking Ledger. The checks are the same in every respect as those in a check-book, and should be numbered consecutively.

Checks should never be drawn unless there is money in the bank to meet them. Banks will not pay checks unless the money is on deposit, and nothing will injure the credit of a business man more than having his checks returned marked

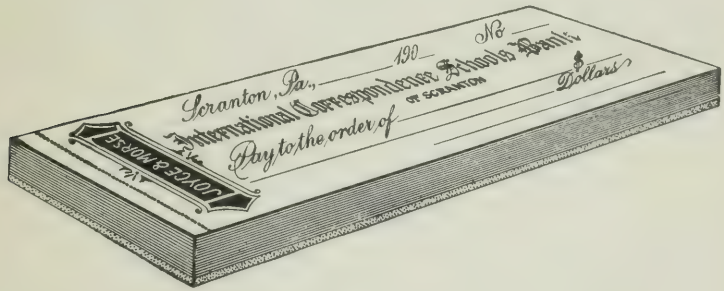

Fig. 1

"No funds." If, by special arrangement, a bank account is overdrawn, the bank will enter in red ink the amount on the debit side of the Ledger account and on the customer's Pass Book.

BOOKS

BANKING LEDGER

5. A **Banking Ledger** is a book in which is kept the account with a bank, the deposits being entered on the debit side and the withdrawals on the credit side, as shown in Fig. 2. The Date column on the debit side is for the dates when the deposits are made, not for the dates of the checks. If but one check is deposited, the amount should be written in the Total Deposit column; if two or more are deposited on the same day, the amount on each check should be written in the Deposit Items column and the total amount for the

day extended to the Total Deposit column. The names of those from whom the checks are received should be written in the column headed From Whom Received. Each check is entered at the time of drawing it, and its date and number given in the proper columns.

BANKING LEDGER

M. Joyce & Morse,

IN ACCOUNT WITH

INTERNATIONAL CORRESPONDENCE SCHOOLS BANK

190	Date	From Whom Received	Deposit Items	Total Deposit	190	Date		No.	Checks
May	1	Investment		381	21	May 1		1	141 30
	2	Cash sales	8 —					2	182 50
		G. D. Collins	14 25					3	85 —
		E. S. Willis	9 37	31	62	14		4	122 50
	3	Cash sales		22	65	21		5	102 50
	4	" "		10	90	26		6	28 —
	5		6 90			30		7	166 —
		H. M. Jones	21 50	28	40	31		8	11 75
	8	Cash sales	14 50					9	46 32
		G. D. Collins	25 10	39	60			10	130 —
	9	R. S. Walker		23	75		Bal.		4241 51
	10	Cash sales		6	65				
	12	" "		14	15				
	15	D. D. Eastons		25	—				
	18	Cash sales	22 60						
		Jno. Rogers & Co.	17 —	39	60				
	19	Cash sales	21 70						
		J. T. Harris	63 25	84	95				
	24	E. S. Willis		66	40				
	30	E. T. Joyce		42	50				
				4247	38				4247 38

FIG. 2

JOURNAL

6. It will be unnecessary to enter into a detailed description of the Journal used in this Section, since it is the same as that previously explained.

CASH BOOK

7. The style of ruling used in the **Cash Book** of this Section is the same as in the last, but its use is varied by entering all cash sales of merchandise in the second column of the debit side, and at the end of the month carrying the footing into the first column and posting it to the credit of Merchandise account. The second column on the credit side is used in the same way for items of expense.

The use of these special columns saves posting the separate items of cash sales and charges to expense account, the total of each being posted to one item at the end of the month.

There is no change in the method of balancing and ruling the Cash Book, as will be seen by a comparison with the Cash Book of the preceding Section.

ORDER BOOK

8. An **Order Book** is commonly used for the entering of orders received from customers for delivery. They are entered from the written or verbal order, and the goods are packed, shipped, and billed according to the order as found here. This entry not only gives the number and kind of goods wanted, but tells where to deliver them. It is the custom in some business houses to also enter the terms and price for which the goods were sold. The form of an Order Book and the manner of entering the orders are shown in the Model Set.

There is no posting to be done from this book, its object and advantage being to have all the orders in a convenient place from which to pack them up and check them as shipped and billed. The bookkeeper should mark each order "Entered" as he charges it in the Sales Book. If goods are sold for cash and are to be delivered, the order should be handled the same as any other, except that it should be marked "Paid" at the time of entering, so that the bookkeeper will not charge it against the customer. In case only a part of an order is shipped, that part is so marked and the balance brought forward from day to day until shipped.

SALES BOOK

9. The **Sales Book** is used for recording all merchandise sales on account. This book is in more general use by large establishments than by small, the smaller business houses finding it equally convenient to enter their sales in the Journal. Its use in all cases is a matter of choice and convenience and not of necessity.

The principal advantage of the Sales Book is the labor saved in posting—the debit items being posted direct to their respective accounts, while the total sales are carried forward until the end of the week or month and then posted direct to the credit of Merchandise. The manner of making the entries in this book will be fully understood from an examination of the entries in the Sales Book of the Model Set.

PURCHASE BOOK

10. The **Purchase Book** is the opposite of the Sales Book, being kept to record the purchases of all goods for the business. The entries are made the same as in the Sales Book, but the parties whose names appear are to be credited instead of debited, as in the Sales Book.

In posting from this book, the total footing for the week or month is posted to the debit of Merchandise and the different items are credited for the amounts appearing against them.

The advantage of this book is mainly the same as that of the Sales Book—it saves posting; it also gives a convenient place of reference for all the items bought, the price paid for them, and the party bought of. The manner of making these entries is shown in the Purchase Book of the Model Set.

LEDGER

11. The **Ledger** used in this Section differs from those previously used by having both the debit and the credit money columns in the middle of the page. This reverses the arrangement of the credit side, which will perhaps make

its use a little awkward at first. The money columns being together is an advantage in ruling and balancing and seeing at a glance how the account stands as to the amount of sales, payments, and balance due.

12. When a Ledger page has been filled it is a good plan to place a check-mark at the top of the filled page, as shown

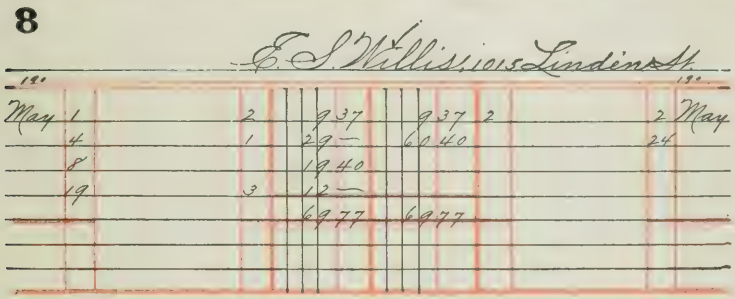

Fig. 3

in Fig. 3, so that in turning the pages it will be quickly seen what pages are filled and closed.

MODEL SET

13. Retail Grain and Feed Business.—The following transactions of a retail grain and feed business and the accompanying illustrations will show the manner of handling the books described. It should be understood that the feed business is selected to furnish transactions to illustrate the use of these books rather than that the set of books given is necessarily the best system for the business.

The transactions here given require, in addition to the books shown, the use of a Notes and Drafts Book, or that such information as it usually contains be recorded elsewhere. As this book was described in the previous Section, it will not be necessary to give it here, but for the sake of convenience the due dates of the notes received will be entered in the explanation column of a Notes Receivable account in the Ledger.

INVENTORY

Article	Quantity	Cost	Amount
Corn,	1200 lb.	1.20	14.40
Corn Meal,	900 "	1.20	10.80
Feed,	1000 "	1.20	12.00
Hay,	7 tons	14.50	101.50
Oatmeal,	225 lb.	.04	9.00
Oats,	24 bu.	.50	12.00
Shorts,	1400 lb.	1.20	16.80
Straw,	12 tons	10.00	120.00
			296.50

PRICE LIST

Article	Quantity	Cost Price	Selling Price
Bran,	100 lb.	1.20	1.60
Corn,	100 "	1.20	1.60
Corn Meal,	100 "	1.20	1.60
Feed,	100 "	1.20	1.60
Hay,	ton	14.50	17.00
Oil Cake,	100 lb.	1.50	2.00
Oil Meal,	100 "	1.50	2.00
Oatmeal,	lb.	.04	.05
Oats,	bu.	.50	.65
Shorts,	100 lb.	1.20	1.60
Straw,	ton	10.00	12.00

TRANSACTIONS

Scranton, Pa., May 1, 190

E. T. Joyce and H. W. Morse have this day formed a copartnership for the purpose of conducting a Retail Grain and Feed Business at 212 State St.

The store room at the above place has been rented from J. D. Farrell, for one year, at $85.00 per month, payable monthly in advance.

The style of the firm name is to be Joyce & Morse.

The losses and gains are to be shared equally.

The investments are as follows:

E. T. Joyce

Cash,	1817.21	
Notes Receivable, due June 6, George Smith,	100.00	
" " " " 15, H. D. Clark,	50.00	
Merchandise, as per inventory,	296.50	
Accounts due Joyce		
G. D. Collins, 917 Myrtle St.,	14.25	
E. S. Willis, 1015 Linden St.,	9.37	
H. M. Jones, 612 Jackson St.,	21.50	
A. S. Walker, 727 Gibson St.,	23.75	2332.58
Accounts Joyce owes		
Lamb Bros., 825 Fulton St., New York,	141.30	
S. C. Williams & Co., 203 West St., New York,	182.50	323.80
E. T. Joyce's net investment,		2008.78

H. W. Morse

Cash,	2000.00

Journal.

Enter cash items in Cash Book.

Post from the Journal to the Ledger.

Deposit cash and enter the amount in the Banking Ledger.

—1—

Paid to Lamb Bros., amount due, as shown by our books, $141.30.

Cash Book.

Banking Ledger.

—1—

Paid to S. C. Williams & Co., amount due, as shown by books, $182.50.

Cash Book.

Banking Ledger.

—1—

Paid to J. D. Farrell, for rent of store for month of May, $85.00.

Cash Book. Debit Expense.

Banking Ledger.

—— 1 ——

Received the following invoices for goods bought on account. Goods checked and found to be O. K.

S. C. Williams & Co.,

5 tons Hay,	14.50	72.50	
5 " Straw,	10.00	50.00	122.50

Purchase Book.

Lamb Bros.,

500 lb. Corn,	1.20	6.00	
75 bu. Oats,	.50	37.50	43.50

Purchase Book.

—— 2 ——

Sold for cash,

½ ton Straw,	12.00	6.00	
50 lb. Corn Meal	1.60	.80	
75 " Corn,	1.60	1.20	8.00

Credit Merchandise in Cash Book, placing the amount in the second column.

Hold for deposit.

—— 2 ——

Received cash from G. D. Collins, to cover balance due May 1, $14.25.

Cash Book entry.

Hold for deposit.

—— 2 ——

Received cash from E. S. Willis, to cover balance due May 1, $9.37.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

—— 2 ——

Bought from H. F. Smith, 304 Barclay St., New York, on account,

500 lb. Bran,	1.20	6.00	
500 " Feed,	1.20	6.00	
500 " Shorts,	1.20	6.00	18.00

Purchase Book.

—— 2 ——

Bought from W. E. Taft, 609 East St., New York, on account,

500 lb. Corn Meal,	1.20	6.00	
250 " Oatmeal,	.04	10.00	16.00

Purchase Book.

—— 3 ——

Sold to G. D. Collins, on account,

1 ton Hay,		17.00	
10 bu. Oats,	.65	6.50	
100 lb. Feed,		1.60	25.10

Order Book.
Sales Book. Debit Collins.

—— 3 ——

Sold for cash,

1 ton Hay,		17.00	
5 bu. Oats,	.65	3.25	
150 lb. Feed,	1.60	2.40	22.65

Cash Book.
Banking Ledger.

—— 4 ——

Sold to E. S. Willis, on account,

1 ton Hay,	17.00	
1 " Straw,	12.00	29.00

Order Book.
Sales Book.

—— 4 ——

Sold to H. M. Jones, on account,

100 lb. Bran,		1.60	
50 " Shorts,	1.60	.80	
5 bu. Oats,	.65	3.25	5.65

Order Book.
Sales Book.

—4—

Sold for cash,

50 lb. Oatmeal,	.05	2.50	
50 " Corn Meal,	1.60	.80	
100 " Shorts,		1.60	
½ ton Straw,	12.00	6.00	10.90

Cash Book.
Banking Ledger.

—5—

Sold to A. S. Walker, on account,

25 lb. Corn Meal,	1.60	.40	
25 " Oatmeal,	.05	1.25	1.65

Order Book.
Sales Book.

—5—

Sold for cash,

150 lb. Bran,	1.60	2.40	
125 " Corn,	1.60	2.00	
50 " Oatmeal,	.05	2.50	6.90

Cash Book.
Hold for deposit.

—5—

Received cash from H. M. Jones, for balance due May 1, $21.50.

Cash Book.
Deposit day's receipts and enter in Banking Ledger.

—7—

Sold to E. T. Joyce, 1212 Jefferson Ave., on account,

1½ tons Hay,	17.00	25.50

Order Book.
Sales Book. Debit Joyce. See Art. **1.**

—7—

Sold to D. I. Easton, 804 River St., on account,

150 lb. Corn,	1.60	2.40	
100 " Shorts,		1.60	
250 " Feed,	1.60	4.00	
10 bu. Oats,	.65	6.50	14.50

Order Book.
Sales Book.

—7—

Sold to J. T. Harris, 506 Eynon St., on account,

2½ tons Straw,	12.00	30.00	
25 bu. Oats,	.65	16.25	46.25

Order Book.
Sales Book.

—8—

Sold for cash,

½ ton Hay,	17.00	8.50	
½ " Straw,	12.00	6.00	14.50

Cash Book.
Hold for deposit.

—8—

Received cash from G. D. Collins for bill of May 3, $25.10.
Cash Book.
Deposit day's receipts and enter in Banking Ledger.

—8—

Sold to E. S. Willis, on account,

150 lb. Corn,	1.60	2.40	
20 bu. Oats,	.65	13.00	
250 lb. Bran,	1.60	4.00	19.40

Order Book.
Sales Book.

—9—

Sold to H. M. Jones, on account,

300 lb. Corn Meal,	1.60	4.80

Order Book.
Sales Book.

—— 9 ——

A. S. Walker paid balance due May 1, $23.75.

Cash Book.

Banking Ledger.

—— 10 ——

Bought from S. C. Williams & Co., on account,

5 tons Hay,	14.50	72.50	
3 " Straw,	10.00	30.00	102.50

Purchase Book.

—— 10 ——

Bought from Lamb Bros., on account,

500 lb. Corn,	1.20	6.00	
50 bu. Oats,	.50	25.00	31.00

Purchase Book.

—— 10 ——

Sold for cash,

25 lb. Corn Meal,	1.60	.40	
125 " Oatmeal,	.05	6.25	6.65

Cash Book.

Banking Ledger.

—— 11 ——

Sold to G. D. Collins, on account,

150 lb. Corn,	1.60	2.40	
25 bu. Oats,	.65	16.25	18.65

Order Book.

Sales Book.

—— 12 ——

Sold for cash,

150 lb. Corn Meal,	1.60	2.40	
5 bu. Oats,	.65	3.25	
½ ton Hay,	17.00	8.50	14.15

Cash Book.

Banking Ledger.

—— 12 ——

Sold to J. T. Harris, on account,

1 ton Hay, 17.00

Order Book.

Sales Book

—— 14 ——

Sold to D. I. Easton, on account,

2 tons Hay,	17.00	34.00

Order Book.
Sales Book.

—— 14 ——

Sold to A. S. Walker, on account,

100 lb. Corn Meal,		1.60	
3 bu. Oats,	.65	1.95	
100 lb. Corn,		1.60	5.15

Order Book.
Sales Book.

—— 14 ——

Paid S. C. Williams & Co., for their invoice of the 1st, $122.50.

Cash Book.
Banking Ledger.

—— 15 ——

Sold to John Rogers & Co., 115 Ninth St., on account,

1 ton Hay,	17.00

Order Book.
Sales Book.

—— 15 ——

Received cash from D. I. Easton, on account, $25.00.

Cash Book.
Banking Ledger.

—— 15 ——

Bought from H. F. Smith, on account,

500 lb. Oil Meal,	1.50	7.50	
500 " Oil Cake	1.50	7.50	15.00

Purchase Book.

—— 15 ——

Bought from W. E. Taft, on account,

500 lb. Corn Meal,	1.20	6.00	
150 " Oatmeal,	.04	6.00	12.00

Purchase Book.

—— 16 ——

Sold to H. E. March, 239 Elm St., on account,

5 bu. Oats,	.65	3.25	
1 ton Hay,		17.00	20.25

Order Book.
Sales Book.

—— 17 ——

Sold to H. M. Jones, on account,

100 lb. Oil Meal,		2.00	
100 " " Cake,		2.00	
200 " Corn Meal,	1.60	3.20	7.20

Order Book.
Sales Book.

—— 18 ——

Sold for cash,

½ ton Hay,	17.00	8.50	
1 " Straw,		12.00	
2 bu. Oats,	.65	1.30	
50 lb. Corn,	1.60	.80	22.60

Cash Book.
Hold for deposit.

—— 18 ——

Received cash from John Rogers & Co., for bill of the 15th, $17.00.

Cash Book.
Deposit day's receipts and enter in Banking Ledger.

—— 19 ——

Sold for cash,

1 ton Straw,		12.00	
200 lb. Corn,	1.60	3.20	
10 bu. Oats,	.65	6.50	21.70

Cash Book.
Hold for deposit.

—— 19 ——

Sold to E. S. Willis, on account,

1 ton Straw,	12.00

Order Book.
Sales Book.

—— 19 ——

Received cash from J. T. Harris, for bills of the 7th and 12th, $63.25.

Cash Book.

Deposit day's receipts and enter in Banking Ledger.

—— 21 ——

Sold to John Rogers & Co., on account,

150 lb. Oil Meal,	2.00	3.00	
150 " " Cake,	2.00	3.00	
350 " Corn Meal,	1.60	5.60	11.60

Order Book.

Sales Book.

—— 21 ——

Bought from H. F. Smith, on account,

500 lb. Feed,	1.20	6.00

Purchase Book.

—— 21 ——

Bought from W. E. Taft, on account,

350 lb. Corn Meal,	1.20	4.20

Purchase Book.

—— 21 ——

Bought from S. C. Williams & Co., on account,

8 tons Hay,	14.50	116.00	
5 " Straw,	10.00	50.00	166.00

Purchase Book.

—— 21 ——

Paid S. C. Williams & Co., for their invoice of the 10th $102.50.

Cash Book.

Banking Ledger.

—— 23 ——

Sold to D. I. Easton, on account,

200 lb. Feed,	1.60	3.20	
1½ tons Hay,	17.00	25.50	28.70

Order Book.

Sales Book.

—— 24 ——

Received from E. S. Willis, cash to cover amount due, $60.40.

Cash Book.
Banking Ledger.

—— 25 ——

Sold to G. D. Collins, on account,

1 ton Straw,		12.00	
10 bu. Oats,	.65	6.50	18.50

Order Book.
Sales Book.

—— 25 ——

Bought from Lamb Bros., on account,

25 bu. Oats,	.50	12.50	
500 lb. Corn,	1.20	6.00	18.50

Purchase Book.

—— 26 ——

Sold to A. S. Walker, on account,

50 lb. Oatmeal,	.05	2.50	
50 " Corn Meal,	1.60	.80	3.30

Order Book.
Sales Book.

—— 26 ——

Sold to E. T. Joyce, on account,

1 ton Hay,	17.00

Order Book.
Sales Book. Debit personal account.

—— 26 ——

Paid W. E. Taft, for invoices of the 2d and 15th, $28.00.

Cash Book.
Banking Ledger.

—— 28 ——

Sold to H. E. March, on account,

5 bu. Oats,	.65	3.25	
100 lb. Feed,		1.60	
50 " Oil Meal,	2.00	1.00	5.85

Order Book.
Sales Book.

—— 28 ——

Sold to J. T. Harris, on account,

1 ton Straw,		12.00

Order Book.
Sales Book.

—— 28 ——

Sold to John Rogers & Co., on account,

2 tons Hay,	17.00	34.00

Order Book.
Sales Book.

—— 30 ——

Received a 60-day note from John Rogers & Co., for our bills of the 21st and 28th, $45.60.

Journal.

—— 30 ——

Sold to H. W. Morse, 912 Monroe Ave., on account,

150 lb. Feed,	1.60	2.40	
2 bu. Oats,	.65	1.30	
100 lb. Corn,		1.60	5.30

Order Book.
Sales Book. Debit personal account.

—— 30 ——

Paid S. C. Williams & Co., for invoice of 21st, $166.00.

Cash Book.
Banking Ledger.

—— 30 ——

Received cash from E. T. Joyce, to close account, $42.50.

Cash Book. Credit personal account.
Banking Ledger.

—— 31 ——

Paid P. J. McGann, bill for cartage for the month, $11.75.

Cash Book. Debit Expense.
Banking Ledger.

—— 31 ——

Paid freight bills for the month, $46.32.

Cash Book. Debit Expense.
Banking Ledger.

—— 31 ——

Paid salaries for the month,

Two clerks,	95.00	
Warehouseman,	35.00	130.00

Cash Book. Debit Expense.
Banking Ledger.

—— 31 ——

Rule date lines in books.

Balance and rule Cash Book and Banking Ledger.

Post to the Ledger; from the Journal first, then from the Purchase Book, Sales Book, and Cash Book.

Take a Trial Balance. (Notice that this is a balance of totals of accounts.)

Take an inventory. (In this case use the figures given in the accompanying inventory.)

Close the books.

INVENTORY

Article	Quantity	Cost	Amount
Corn,	1600 lb.	1.20	19.20
Corn Meal,	950 "	1.20	11.40
Feed,	1050 "	1.20	12.60
Hay,	9½ tons	14.50	137.75
Oil Cake,	250 lb.	1.50	3.75
Oil Meal,	200 "	1.50	3.00
Oatmeal,	325 "	.04	13.00
Oats,	32 bu.	.50	16.00
Shorts,	1650 lb.	1.20	19.80
Straw,	15 tons	10.00	150.00
			386.50

JOURNAL

2

Scranton, Pa., May 1, 190

E. T. Joyce and K. W. Morse have this day formed a copartnership for the purpose of conducting a Retail Grain and Feed Business at 2 State St. in a store rented from J. D. Farrell, for one year, at $85. per month, payable in advance.

The style of the firm name is to be Joyce & Morse.

The losses and gains are to be shared equally.

The investments are as follows:

		E. T. Joyce				
1	Cash		1617	21		
3	Notes Receivable	Geo. Smith, Surgeon,	100	—		
3	" "	C. L. Starr, " "	50	—		
6	Merchandise	inventory	2842	50		
7	G. L. Collins	on Westworth, acct	42	25		
8	E. S. Willis	" Lindenwold, "	7	25		
9	N. M. Jones	" Jackson St., "	2	50		
10	C. E. Walden	" Gibson St., "	23	75		
13	Lamb Bros.	" Fulton St. Co., acct			141	30
14	S. C. Williams	" Westwood, " " "			102	50
1	E. T. Joyce	net investment			2000	75
		K. W. Morse				
1	Cash		2000	—		
4	K. W. Morse	net investment			2000	—
3	Notes Receivable		25	40		
16	John Rogers & Co.				25	40
		Note at 60 ds. for bill of 21 x 28				

PURCHASE BOOK

2

Scranton, Pa., May 1, 190

14	S. C. Williams & Co.		122 50
	5 tons Hay,	14.50, 72.50	
	5 " Straw,	10.—, 50.—	
	1		
13	Lamb Bros.,		43 50
	500 lb. Corn,	1.20, 6.—	
	75 bu Oats,	.50, 37.50	
	2		
15	N. F. Smith, 304 Barclay St., N.Y.		18 —
	500 lb. Bran,	1.20, 6.—	
	500 " Feed,	1.20, 6.—	
	500 " Shorts,	1.20, 6.—	
	2		
18	W. E. Taft, 609 East St., N.Y.		16 —
	500 lb. Corn Meal,	1.20, 6.—	
	250 " Oatmeal,	.04, 10.—	
	10		
14	S. C. Williams & Co.		102 50
	5 tons Hay,	14.50, 72.50	
	3 " Straw,	10.—, 30.—	
	10		
13	Lamb Bros.,		31 —
	500 lb. Corn,	1.20, 6.—	
	50 bu Oats,	.50, 25.—	
	15		
15	N. F. Smith,		15 —
	500 lb. Oil Meal,	1.50, 7.50	
	500 " Oil Cake,	1.50, 7.50	
	15		
18	W. E. Taft,		12 —
	500 lb. Corn Meal,	1.20, 6.—	
	150 " Oatmeal,	.04, 6.—	
	21		
15	N. F. Smith,		6 —
	500 lb. Feed,	1.20, 6.—	
	21		
18	W. E. Taft,		4 20
	350 lb. Corn Meal,	1.20, 4.20	
			370 70

4

May 21, 190

				370.70
14	S. C. Williams & Co.			166.—
	8 tons Hay,	14.50,	116.—	
	5 " Straw,	10.—	50.—	
	25			
13	Lamb Bros.,			18.50
	25 bu. Oats,	.50,	12.50	
	500 lb. Corn,	1.20,	6.—	
6				555.20

ORDER BOOK

1

Scranton, Pa., May 3, 190

ENTERED	Mr. G. D. Collins,	917 Myrtle St.,	✓
✓	1 ton Hay,		
✓	10 bu. Oats,		
✓	100 lb. Feed,		
	4		
ENTERED	Mr. E. S. Willis,	1015 Linden St.,	✓
✓	1 ton Hay,		
✓	1 " Straw,		
	4		
ENTERED	Mr. A. M. Jones,	612 Jackson St.,	✓
✓	100 lb. Bran,		
✓	50 " Shorts,		
✓	5 " Oats,		
	5		
ENTERED	Mr. A. S. Walker,	727 Gibson St.,	✓
✓	25 lb. Corn Meal,		
✓	25 " Oatmeal,		
	7		
ENTERED	Mr. E. T. Joyce,	1212 Jefferson Ave.,	✓
✓	1½ tons Hay,		
	7		
ENTERED	Mr. D. S. Easton,	804 River St.,	✓
✓	150 lb. Corn,		
✓	100 " Shorts,		
✓	250 " Feed,		
✓	10 bu. Oats,		
	7		
ENTERED	Mr. J. T. Harris,	506 Lynon St.,	✓
✓	2½ tons Straw,		
✓	25 bu. Oats,		
	8		
ENTERED	Mr. E. S. Willis,	1015 Linden St.,	✓
✓	150 lb. Corn,		
✓	20 bu. Oats,		
✓	250 lb. Bran,		
	9		
ENTERED	Mr. A. M. Jones,	612 Jackson St.,	✓
✓	300 lb. Corn Meal,		

2

May 11, 190

ENTERED	W. G. D. Collins,	917 Myrtle St.,	✓
	✓ 150 lb. Corn,		
	✓ 25 bu. Oats,		
		12	
ENTERED	W. J. T. Harris,	506 Lynnon St.,	✓
	✓ 1 ton Hay,		
		14	
ENTERED	H. D. L. Easton,	804 River St.,	✓
	✓ 2 tons Hay,		
		14	
	H. A. S. Walker,	727 Gibson St.,	✓
ENTERED	✓ 100 lb. Corn Meal,		
	✓ 3 bu. Oats,		
	✓ 100 lb. Corn,		
		15	
ENTERED	M. John Rogers & Co.,	115 Ninth St.,	✓
	✓ 1 ton Hay,		
		16	
ENTERED	M. H. E. March,	229 Elm St.,	✓
	✓ 5 bu. Oats,		
	✓ 1 ton Hay,		
		17	
	H. H. M. Jones,	612 Jackson St.,	✓
ENTERED	✓ 100 lb. Oil Meal,		
	✓ 100 " " Cake,		
	✓ 200 " Corn Meal,		
		19	
ENTERED	H. E. S. Willis,	1015 Linden St.,	✓
	✓ 1 ton Straw,		
		21	
	W. John Rogers & Co.,	115 Ninth St.,	✓
ENTERED	✓ 150 lb. Oil Meal,		
	✓ 150 " " Cake,		
	✓ 350 " Corn Meal,		
		23	
ENTERED	M. D. L. Easton,	804 River St.,	✓
	✓ 200 lb. Feed,		
	✓ 1½ tons Hay,		

NOTE.—The letters M., H., and W. in the column at the left indicate the initials of the clerks who filled the orders.

3

May 25, 190

ENTERED	H.	G. D. Collins, 917 Myrtle St.,	✓
	✓	1 ton Straw,	
	✓	10 bu. Oats,	
		26	
ENTERED	H.	A. S. Walker, 727 Gibson St.,	✓
	✓	50 lb. Oatmeal,	
	✓	50 " Corn Meal,	
		26	
ENTERED	M.	E. T. Joyce, 212 Jefferson Ave.,	✓
	✓	1 ton Hay,	
		28	
ENTERED	M.	H. E. March, 239 Elm St.,	✓
	✓	5 bu. Oats,	
	✓	100 lb. Feed,	
	✓	50 " Oil Meal,	
		28	
ENTERED	W.	J. T. Harris, 506 Lynnon St.,	✓
	✓	1 ton Straw,	
		28	
ENTERED	H.	John Rogers & Co., 115 Ninth St.,	✓
	✓	2 tons Hay,	
		30	
ENTERED	M.	H. W. Morse, 912 Monroe Ave.,	✓
	✓	150 lb. Feed,	
	✓	2 bu. Oats,	
	✓	100 lb. Corn,	

SALES BOOK

1

Scranton, Pa., May 3, 190

7	G. D. Collins,	917 Myrtle St.		65 10	
	1 ton Hay,		17 —		
	10 bu. Oats,	.65,	6.50		
	100 lb. Feed,		1.60		
		4			
8	E. S. Willis,	1015 Linden St.,		29 —	
	1 ton Hay,		17 —		
	1 „ Straw,		12 —		
		6			
9	H. M. Jones,	612 Jackson St.,		5 65	
	100 lb. Bran,		1.60		
	50 „ Shorts,	1.60,	.80		
	5 „ Oats,	.65,	3.25		
		5			
10	A. S. Walker,	727 Gibson St.,		1 65	
	25 lb. Corn Meal,	1.60,	.40		
	25 „ Oatmeal,	.05,	1.25		
		7			
2	E. T. Joyce,	1212 Jefferson Ave.,		25 50	
	1½ tons Hay,		17 — 25.50		
		7			
11	D. T. Easton,	804 River St.,		14 50	
	150 lb. Corn,	1.60,	2.40		
	100 „ Shorts,		1.60		
	250 „ Feed,	1.60,	4 —		
	10 bu. Oats,	.65,	6.50		
		7			
12	J. T. Harris,	506 Lynn St.,		46 25	
	2½ tons Straw,	12.00,	30 —		
	25 bu. Oats,	.65,	16.25		
		8			
8	E. S. Willis,			19 40	
	150 lb. Corn,	1.60,	2.40		
	20 bu. Oats,	.65,	13 —		
	250 lb. Bran,	1.60,	4 —		
		9			
9	H. M. Jones,			4 80	
	300 lb. Corn Meal,	1.60,	4.80		
				171 85	

3

	May 11, 190			
			171.85	
7	G. D. Collins,		18 65	
	150 lb. Corn,	1.60, 2.40		
	25 bu. Oats,	.65, 16.25		
	12			
12	J. T. Harris,		17 —	
	1 ton Hay,	17 —		
	14			
11	D. L. Easton,		34 —	
	2 tons Hay,	17 —, 34 —		
	14			
10	A. S. Walker,		5 15	
	100 lb. Corn Meal,	1.60		
	3 bu. Oats,	.65, 1.95		
	100 lb. Corn,	1.60		
	15			
16	John Rogers & Co., 115 Ninth St.,		17 —	
	1 ton Hay,	17 —		
	16			
17	N. E. March, 239 Elm St.,		20 25	
	5 bu. Oats,	.65, 3.25		
	1 ton Hay,	17 —		
	17			
9	N. M. Jones,		7 20	
	100 lb. Oil Meal,	2 —		
	100 " " Cake,	2 —		
	200 " Corn Meal,	1.60, 3.20		
	19			
8	E. S. Willis,		12 —	
	1 ton Straw,	12 —		
	21			
16	John Rogers & Co.,		11 60	
	150 lb. Oil Meal,	2 —, 3 —		
	150 " " Cake,	2 —, 3 —		
	350 " Corn Meal,	1.60, 5.60		
	23			
11	D. L. Easton,		28 70	
	200 lb. Feed,	1.60, 3.20		
	1½ tons Hay,	17 —, 25.50		
			343 40	

5

May 25, 190

				343.40	
7	G. D. Collins,			18.50	
	1 ton Straw,		12—		
	10 bu. Oats,	65,	6.50		
	26				
10	C. E. Walker			3.30	
	50 lb. Oatmeal,	.05,	2.50		
	50 „ Corn Meal,	1.60,	80		
	26				
2	E. T. Joyce,			17—	
	1 ton Hay,		17—		
	28				
17	N. E. March			5.85	
	5 bu. Oats,	65,	3.25		
	100 lb. Feed,		1.60		
	50 „ Oil Meal,	2—,	1.—		
	28				
12	J. T. Harris,			12—	
	1 ton Straw,		12—		
	28				
16	John Rogers & Co.			34—	
	2 tons Hay,	17—,	34—		
	30				
5	N. W. Morse, 912 Monroe Ave.,			5.30	
	150 lb. Feed,	1.60,	2.40		
	2 bu. Oats,	65,	1.30		
	100 lb. Corn,		1.60		
6				439.35	

CASH BOOK

2

Cash

190						Cash sales.
May 1	√	Investment,		3817	21	
2	√	Cash sales,				8 —
7		G. D. Collins,	balance due,	14	25	
8		E. S. Willis,	" "	9	37	
3	√	Cash sales,				22 65
4	√	" "				10 90
5	√	" "				6 90
9		F. M. Jones,	bal. due May 1,	21	50	
8	√	Cash sales,				14 50
7		G. D. Collins,	bill of May 3,	25	10	
9	10	C. S. Walker,	bal. May 1,	23	75	
10	√	Cash sales,				6 65
12	√	" "				14 15
15	11	D. T. Easton,	on account,	25	—	
18	√	Cash sales,				22 60
16		John Rogers & Co.	bill of 15th,	17	—	
19	√	Cash sales,				21 70
12		J. T. Harris,	bills of 7 & 12th,	63	25	
24	8	E. S. Willis,	in full,	60	40	
30	2	C. T. Joyce,	" "	42	50	
31	6	Merchandise,	cash sales for month	128	05	
				4247	38	
June 1		Balance,		3231	51	

CASH BOOK

2

Cash

190						Expense
May	13	Lamb Bros.	in full to date,	141 30		
	14	S. C. Williams & Co.	" " " "	182 50		
	✓	Expense,	one month's rent,			85 —
14	14	S. C. Williams & Co.	invoice of 1st,	122 50		
21	14	" "	" " 10th,	102 50		
26	18	W. E. Taft,	" " 2 & 15th,	28 —		
30	14	S. C. Williams & Co.	" " 21st,	166 —		
31	✓	Expense,	cartage for month,			11 75
	✓	"	freight " "			46 32
	✓	"	salaries " "			130 —
	19	Expense,	items for month,	273 07		
		Balance,				
				4247 38		

BANKING LEDGER

M. Joyce & Morse,

IN ACCOUNT WITH

INTERNATIONAL CORRESPONDENCE SCHOOLS BANK.

190	Date	From Whom Received	Deposit Items	Total Deposit	190	Date		No.	Checks
May	1	Investment,		3817 21	May	1		1	141 30
	2	Cash sales,	8 —					2	182 50
		G. D. Collins,	14 25					3	85 —
		E. S. Willis,	9 37	31 62		14		4	122 50
	3	Cash sales,		22 65		21		5	102 50
	4	" "		10 90		26		6	28 —
	5	" "	6 90			30		7	166 —
		H. M. Jones,	21 50	28 40		31		8	11 75
	8	Cash sales,	14 50					9	46 32
		G. D. Collins,	25 10	39 60				10	130 —
	9	N. S. Walker,		23 75			Bal.,		3231 51
	10	Cash sales,		6 65					
	12	" "		14 15					
	15	D. T. Easton,		25 —					
	18	Cash sales,	22 60						
		Jno. Rogers & Co.,	17 —	39 60					
	19	Cash sales,	21 70						
		J. T. Harris,	63 25	84 95					
	24	E. S. Willis,		60 40					
	30	E. T. Joyce,		42 50					
				4247 38					4247 38

LEDGER

1

E. T. Joyce, Stock

190-									190-
May	31	L.&G.,	20	85 44	2008 78	2		1	May
				2008 78	2008 78				
					1923 34		Pres. Worth,	1	June

2

E. T. Joyce, Personal

190-									190-
May	7		1	25 50	42 50	2		30	May
	26		5	17 —					

3

Notes Receivable

190-									
May	1	Due June 6,	2	100 —					
		" " 15,		50 —					
	30	" July 30,		45 60					

4

H. W. Morse, Stock

190-									190-
May	31	L.&G.,	20	85 43	2000 —	2		1	May
				2000 —	2000 —				
					1914 57		Pres. Worth	1	June

5

A. W. Morse, Personal

190																		190
May	30			5			5 30											

6

Merchandise

190																		190
May	1			2			296 50			439 35		5					31	May
	31			4			555 20			128 05		2					31	
		Loss		2			1[illegible]			38 50				Inv't.			31	
							953 90			953 90								
June	1	Inv't.					386 50											

7

G. D. Collins, 917 Myrtle St.

190																		190
May	1			2			14 25			14 25		2					2	May
	3			1			25 10			25 10							8	
	11			3			18 65											
	25			5			18 50											

8

E. S. Willis, 1015 Linden St.

190																		190
May	1			2			9 37			9 37		2					2	May
	4			1			29 —			60 40							24	
	8						19 40											
	19			3			12 —											
							69 77			69 77								

9

H. M. Jones, 612 Jackson St.

19—												19—
May	1		2	21	50		21	50	2		5	May
	4		1		5	65						
	9				4	80						
	17		3		7	20						

10

A. S. Walker, 727 Gibson St.

19—												19—
May	1		2	23	75		23	75	2		9	May
	5		1		1	65						
	14		3		5	15						
	26		5		3	30						

11

D. S. Easton, 804 River St.

19—												19—
May	7		1		14	50		25	—	2	15	May
	14		3		3	4	—					
	23				28	70						

12

J. T. Harris, 506 Eymon St.

19—												19—
May	7		1		46	25		63	25	2	19	May
	12		3		1	7	—					
	28		5		1	2	—					

13

Lamb Bros., 825 Fulton St., N.Y.

190							190
May	1	2	141 30	141 30	2	1	May
				43 50	2		
				31 —		10	
				18 50	4	25	

14

S. C. Williams & Co., 203 West St., N.Y.

190							190
May	1	2	182 50	182 50	2	1	May
	14		122 50	122 50	2		
	21		102 50	102 50		10	
	30		166 —	166 —	4	21	
			573 50	573 50			

15

H. F. Smith, 304 Barclay St., N.Y.

							190
				18 —	2	2	May
				15 —		15	
				6 —		21	

16

John Rogers & Co., 115 Ninth St.

190							190
May	15	3	17 —	17 —	2	18	May
	21		11 60	45 60	2	30	
	28	5	34 —				
			62 60	62 60			

17

H. E. Marchisio, Elm St.

190			Fol.	Amount	190			Fol.	Amount
May	16		3	20 25					
	28		5	5 85					

18

W. E. Taft, 609 East St. N.Y.

190			Fol.	Amount	190			Fol.	Amount
May	26		2	28 —	May	2		2	16 —
						15			12 —
						21			4 20

19

Expense

190			Fol.	Amount	190			Fol.	Amount
May	31		2	273 67					

20

Loss & Gain

190			Fol.	Amount	190			Fol.	Amount
May	31	Expense	4	273 67	May	31	Mdse.	6	273 67
				273 67					273 67

Trial Balance, May 31, 190

1	Cash,	3231 51	
1	E. T. Joyce, Stock,		2008 78
3	Notes Receivable,	195 60	
4	H. W. Morse, Stock,		2000 —
5	H. W. Morse, Personal,	5 30	
6	Merchandise,	851 70	567 40
7	G. D. Collins,	76 50	39 35
9	H. M. Jones,	39 15	21 50
10	A. S. Walker,	33 85	23 75
11	D. L. Easton,	77 20	25 —
12	J. T. Harris,	75 25	63 25
13	Lamb Bros.,	141 30	234 30
15	H. F. Smith,		39 —
17	H. E. March,	26 10	
18	W. E. Taft,	28 —	32 20
19	Expense,	273 07	
		5054 53	5054 53

Proprietor's Statement, May 31, 190

E. T. Joyce.		
Invested,	2008 78	
½ Net loss,	85 44	
Present Worth,		1923 34
H. W. Morse.		
Invested,	2000 —	
½ Net loss,	85 43	
Present Worth,		1914 57
Firm's Present Worth,		3837 91

Statement of Business, May 31, 190

Resources:				
Cash,		3231 51		
Merchandise, inventory,		386 50		
Notes Receivable, Geo. Smith, due June 6,		100 —		
" " H. D. Clark, " " 15,		50 —		
" " Jno. Rogers & Co., " July 19,		456 0		
A. W. Morse, Personal,		5 30		
G. D. Collins,		37 15		
H. M. Jones,		17 65		
A. L. Walker,		10 10		
D. L. Easton,		52 20		
J. T. Harris,		12 —		
H. E. March,		26 10	3974 11	
Liabilities:				
Lamb Bros.,		93 —		
H. F. Smith,		39 —		
W. E. Taft,		420	1362 0	
Present Worth,			3837 91	
Losses:				
Expenses,		273 07		
Gains:				
Merchandise, Sold, 567 40				
Inventory, 386 50				
Produced, 953 90				
Cost, 851 70				
Gain,		102 20		
Net loss,			170 87	

DOUBLE-ENTRY BOOKKEEPING

(PART 3)

WHOLESALE MEAT BUSINESS

1. Introduction.—In this Section will be shown the manner of opening and closing partnership books and keeping accounts for a wholesale meat business; also, how books not given in previous Sections are handled. The books used will be a combined Purchase Book and Journal, an Order-Sheet Sales Book, Cash Book with special columns, and a Card Ledger. Some methods not previously used will also be explained.

BOOKS

PURCHASE BOOK AND JOURNAL

2. The principal use of the combined **Purchase Book and Journal** is for the entering of purchases on account. (See Purchase Book and Journal of the Model Set.) The parties bought of are credited and the amounts entered in the Sundries column on the right-hand side of the book. The amount of each kind of goods bought is entered in the columns on the left-hand side and the sum of the columns posted to the debit of Merchandise at the end of each week or month. If goods are bought for which there is no special column, the debit entry must be made in the Sundries column on the left-hand side of the book and these items posted separately to the debit of Merchandise. The folio column on the left-hand side of the explanation column is for the Ledger page of the account to be debited, and that

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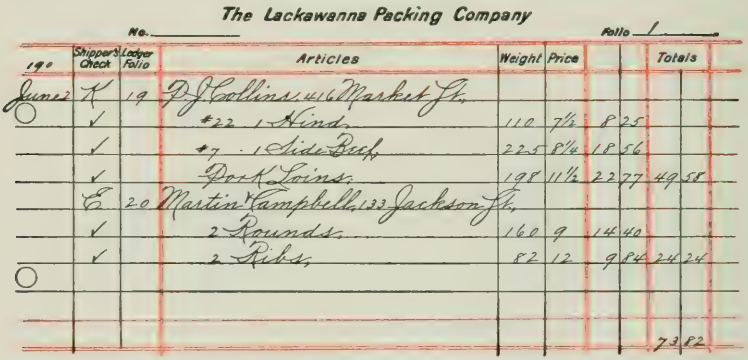
on the right-hand side for the page of the account to be credited. But one of these columns is used in the book shown in the Model Set, for the reason that the reduced size does not allow of placing the name of both the debit and the credit account on one line, which would be done in the actual book.

This book is also used as a Journal, and any transactions that would properly go into a Journal should be entered in this book, using the Sundries columns for the amounts.

SALES BOOK

3. The use of order sheets as a **Sales Book** saves copying the bills into a Sales Book and gives a complete record.

Orders coming in by telegraph, letter, telephone, or otherwise should be written out on order blanks of uniform size; more than one order may be written on a sheet if desired.



The Lackawanna Packing Company

No. _____ Folio 1

19—	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
June 2	K	19	P. J. Collins, 416 Market St.						
	✓		#22 1 Hind	110	7½	8	25		
	✓		#7 1 Side Pork	225	8¼	18	56		
	✓		Pork Loins	198	11½	22	77	49	58
	E	20	Martin Campbell, 133 Jackson St.						
	✓		2 Rounds	160	9	14	40		
	✓		2 Ribs	82	12	9	84	24	24
								73	82

FIG. 1

The form shown in Fig. 1 is commonly used by large houses. The holes at the left-hand end are for use in filing the sheets on post binders. When the sheets are filled out, they are placed on a binder for unfilled orders and sent to the shipping room. As the items of an order are packed, the shipping clerk checks them off, usually with his initial, and returns the sheet to the office.

Bills are made out from these sheets, which are then filed on another binder in the order of the shipment, and the items posted to the Ledger. The sum of the items so posted must be posted daily, weekly, or monthly to the credit side of Merchandise account, in order to keep the Ledger in balance and also to show how much merchandise has been sold on account.

CASH BOOK

4. The **Cash Book** used in this Section has special columns for Merchandise. (See Cash Book of the Model Set.) All amounts of cash received and paid out, except for merchandise, should be entered in the Sundries column of the proper side, and the items of cash received or paid out for merchandise in the Merchandise column. At the end of each week or month the footings of the Merchandise columns should be posted to the proper sides of the Merchandise account. The items that appear in the Sundries column only must be posted separately to the proper sides of the accounts to which they belong. Note carefully how this form of Cash Book is balanced, footed, and ruled.

CARD LEDGER

5. The advantages of the card-index system, used as a Ledger in place of a book, have led to its adoption by many of the most progressive business houses in the country. Briefly stated, the advantages are:

First.—The separation of closed from open accounts, the closed accounts being kept in a separate drawer or cabinet, or in transfer cases, and replaced among the live accounts in the event that they are reopened.

Second.—Accounts are kept together—not mixed promiscuously with other accounts, as in a book—and a number once assigned to an account is never given to another. When one card fills up, the account is continued on another, and the filled cards filed together in the drawer or transfer case for closed accounts, where they can be quickly and easily referred to.

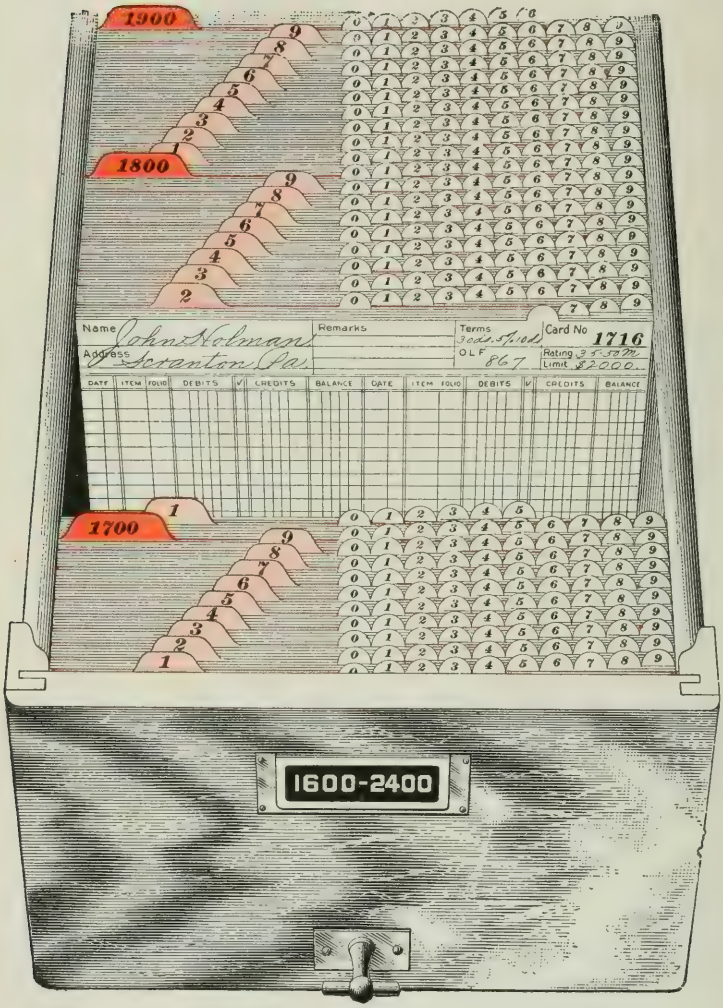

1900
1800
1700
Name
Address
Scranton Pa.
Remarks
Terms
OLF
867
Card No
1716
Rating
Limit
DATE
ITEM
FOLIO
DEBITS
CREDITS
BALANCE
1600-2400

FIG. 2

Third.—Reference is quicker, both on account of the minute classification possible, and on account of the Ledger being unencumbered by dead matter.

Fourth.—In taking off trial balances, half the time is saved, as it is only necessary to work from the active accounts.

Fifth.—In making out statements, several can work on the accounts at one time, thus making it possible to get statements out promptly each month.

Sixth.—In the event that any legal question arises, and the Ledger accounts are to be admitted as evidence, the card or cards containing same may be produced in court without interfering with the bookkeeper's work on the balance of the Ledger.

An objection that has been raised against the adoption of the Card Ledger, as commonly understood, is that it would take longer to find the cards when posting than it would to find the accounts in the ledger. This objection has been entirely overcome by a method of indexing the cards, as shown in Fig. 2, from which it will be seen that, in looking for a card, it is only necessary to handle the exact card wanted, as it can be picked out without reference to any others in the drawer.

The cards are divided into groups of one hundred. These are again subdivided into groups of ten. The guide cards shown at the left of the illustration indicate the groups of one hundred; those immediately to the right of these, and numbered from 1 to 9, indicate the groups of ten, while the cards themselves bear tabs numbered from 0 to 9. For example, if card 1716 were wanted, it would be found back of the general guide card 1700 and also back of the guide 1 card (the 1 being the guide for the tens), while the tab 6 (6 indicating the unit) would locate the card instantly.

In opening a new account, a card with the tab having the number indicated by the unit figure of the next consecutive account would be used. For instance, if the next account to be opened were 1898, it would have to be opened on a card with the tab 8, and the card would then be placed among the

100 cards back of the guide 1800, and in that particular group of tens indicated by the guide 9.

Another feature of the Card Ledger to which especial attention is called, is that, even though the removal of closed accounts may leave but one card in some of the groups of tens, such cards can be instantly located, as the guide cards indicating the groups of hundreds, as well as those indicating the tens, are always in sight.

When accounts are kept numerically, an index to customers' account numbers is obtained by using a card index with ordinary size record cards on which the name, address, rating, account number, etc. are entered, these cards being filed between alphabetically subdivided guide cards.

The same latitude as to the arrangement of the cards in the Card Ledger can be had as in any other form of the card index. When it is not desired to file the cards numerically, using a separate alphabetical index for names, they may be filed either alphabetically by name, alphabetically by towns, or by states and towns. If any other than a numerical arrangement is followed, cards without the printed tabs are used.

METHODS

6. Consignments.—Goods received by a party to sell on commission are called **consignments.** In the Ledger, consignment accounts are headed "Consignment No. . . . from . . . . . ." Each consignment is charged with any expense for freight, cartage, storage, insurance, etc. at the time such expense is incurred.

Concerns doing much commission business use specially ruled books in which to keep account of the kinds and qualities of goods received and sold on each consignment. Where but an occasional consignment is received, the plan illustrated in the Journal and the Card Ledger of this Section is a good one. (See Ledger Card No. 16 of the Model Set.) When a consignment is received, an itemized entry, without prices, is made in the Journal. There is, of course, no dollars and cents to post from such an entry, but the date and items of

the entry should be entered on the Ledger account, the date in the date column and the items in the explanation column; the number of the card is entered in the folio column in the Journal.

Whenever sales are made from a consignment, the items of the sale should be entered in the explanation column of the Ledger account. By following this plan, the amount of each kind of goods remaining on hand from any consignment can always be told by referring to the explanation column of the Ledger account.

When all the goods have been sold, the difference between the gross proceeds and the charges, or net proceeds as it is called, must be sent to the party sending the consignment. The only profit a commission man makes on a consignment is his commission.

7. Shipments.—It frequently happens that some of the goods on hand will not be sold as rapidly as they should be, and in order to dispose of them quickly (and perhaps to better advantage), they are sent to some one else to be sold on commission. Goods sent in this way to others are called, by the sender, **shipments.**

The merchandise sent is usually charged to the shipment at cost. Bills are seldom sent with the goods, as it makes no difference to the party selling them what they cost the shipper. He must sell at the price given him, or at the best price he can get. As the amount of his commission depends on the amount of the sale, it is to his interest to get the best price he can.

A shipment of goods sent to a party to sell on commission is not a sale, and therefore cannot be charged to the party receiving it. To distinguish such shipments from regular sales, and from one another, each is given a number, charging them to "Shipment No. . . . to . . . . . ." Each shipment is charged for all the goods and for expenses, and credited for what it produces.

8. Rebates allowed on merchandise returned to us should not be charged to Merchandise account, but to a

Name *Merchandise.*

Address

Remarks

Terms O. L. F.

Card No. 4

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	J.	2			162 —								
30		3	1918 94										
30	S.	11			1532 75								
30	C.	2			30 —								
			22 77										
30	L.	5	33 —		27 —								
July 1	Inv't.		500 60										

FIG. 3

Name W. E. Edwards & Co.

Address 717 Myrtle St.

190

Remarks

Terms

O. L. F.

Card No. 23

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 5	S.	3	89 55	✓									
9		6	67 42	✓									
15		8	26 60	✓									
26		11	41 08										
15	C.	2			89 55								
19					67 42								
25					26 60	41 08							

Fig. 4

Merchandise Return and Rebate account. Merchandise returned by us should be credited to the same account. This is done so that the Merchandise account will show the true amount of merchandise bought and sold. When the books are closed, the debit of the Merchandise Return and Rebate account should be transferred to the debit of Merchandise account, and the credit to the credit of Merchandise account. Merchandise account is then closed in the regular way.

9. Single-Line Ruling.—In many offices where the pressure of work is very great, a system of single-line ruling for the Ledger has been adopted, as shown in Fig. 3. This, of course, saves some time and there is no valid objection to its use. It would not, however, be advisable for a bookkeeper to adopt it without consulting his employer.

10. Checking Off Paid Items.—Some bookkeepers find it a good plan to check off the debit items of customers' accounts as fast as paid. A check-mark placed in the narrow column next to the charge, as shown in Fig. 4, is used for this purpose. By adopting this scheme, it can be told at a glance what items of an account remain unpaid.

11. Figure Slips.—It is a common thing to see a bookkeeper's desk littered with scraps of paper and figuring pads having the figures of several computations on them. This should not be so. Whenever a computation has been made, the figures should be crossed off, as shown in Fig. 5, and the paper thrown into the waste basket. If, however, there are several computations on one sheet and it is desired to retain one of them, all the others should be crossed off, so that there will be no liability of taking the wrong figures. This may seem a simple matter, but after a bookkeeper has been obliged to hunt up errors caused by using figures that should have been thrown away, he will place a high value on this practice.

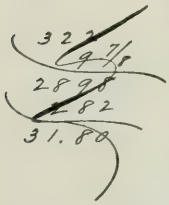


FIG. 5

12. Doubtful Accounts and Notes.—At the end of each business period the Ledger and Notes and Drafts Book should be gone over carefully to see what accounts and notes, if any, are considered wholly or in part doubtful. It would not be wise to carry doubtful accounts and notes as a resource, so they are charged off before making out the Statement of the Business and closing the books.

Some business houses close doubtful accounts, in red ink, direct to Loss and Gain, and transfer the closing entry to that account. A better way would be to use an account called Doubtful Accounts and Notes, which account can be closed later to Loss and Gain. Such accounts as are decided to be doubtful should be balanced by the red-ink entry, "By Doubtful Accounts and Notes," but in place of this closing entry being transferred direct to the Doubtful Accounts and Notes account, an entry should be made in the Journal debiting Doubtful Accounts and Notes and crediting each account considered doubtful.

The red-ink balancing entry on each of the personal accounts takes the place of the posting entry from the Journal. The sum of these credits must be posted to the debit of Doubtful Accounts and Notes account. This may be done in a lump sum, but it is better to post each item separately and give in the explanation column the name of the account from which the item came. Accounts of which parts are considered uncollectible should be treated as above for the amount thought doubtful.

If, after the entirely doubtful accounts have been closed, a payment is received on them, it is credited to Doubtful Accounts and Notes account, and a memorandum made in the explanation column showing what account the item came from.

If payment is received on an account of which a part has been charged off as doubtful, such payment is credited to the account itself until the amount shown by it as due is paid; then the other payments are credited to the Doubtful Accounts and Notes account.

Notes Receivable are treated the same as above, also notes or accounts in an attorney's hands for collection.

DISCOUNT

13. Discount on Bills.—It is a custom in many business houses to allow a certain discount if bills are paid within a stated number of days from their date. For instance, if goods are sold at a certain price on 30 days' time, a discount of 2 per cent. is allowed if they are paid for within 10 days. The account of the party buying the goods is of course debited for the full amount of the bill, because it is not known whether the bill will be paid in time to get the benefit of the discount. If the bill is paid before the 10 days have expired, then the cash received is less than the face of the bill. The party must, however, be credited on the debit side of the Cash Book as having paid the bill in full, and on the credit side of the Cash Book, Discount is debited for the 2 per cent. deducted.

If advantage is taken of the cash discount by paying for goods within the time limit, then Cash must be credited for the amount paid and Discount with the amount saved. If the party bought of has been credited for the amount of the invoice, then he must be debited in the Cash Book for this amount and Discount credited for the amount deducted as discount.

14. Discount of Notes.—It sometimes happens that it is desirable to turn into cash some of the notes receivable that may be on hand. A bank will buy these notes, from parties in good standing, at a discount equal to the interest on the face of the note from the time it is sold until it is due.

Notes must always be entered on the books at their face value; therefore, if a note is discounted, Cash must be debited and Notes Receivable credited for the face of the note. This debits Cash for more than is actually received, so another entry must be made debiting Interest and crediting Cash for the sum paid the bank.

The items of interest and discount on notes, bills, invoices, etc. are generally handled in the Ledger under the heading of Interest and Discount.

When enough notes, either receivable or payable, or both, are carried so that the accrued interest on them amounts to any considerable sum, this amount should be taken into account when closing the books. If desired, an Accrued Interest account may be opened and the inventories of interest receivable and payable entered on it, so that these resources and liabilities will be shown the same as all others.

MODEL SET

15. Wholesale Meat Business.—In this Model Set we shall carry on a wholesale meat business, using practically the same books and following the methods of the branch houses of such large meat companies as Armour, Morris, Cudahy, and others. Of course, the complete bookkeeping system in such branch houses is not given here, for it is not so much the intention to teach special systems as it is to give a basis for the application of bookkeeping principles to various office systems.

Particular attention should be given to the uses of the various columns of the Purchase Book and Journal. It should also be borne in mind that in actual business the form of the Sales Book used would be separate sheets filed in the order of dates.

The business will be carried on under the name of The Lackawanna Packing Company. This is not an incorporated company, but a partnership doing business under this name.

The following transactions will illustrate the use of the books explained and the manner of entering the accounts of a wholesale meat business.

The goods are bought and sold at the prices quoted in each transaction; therefore, it will not be necessary to give a price list in this instance.

It will be understood that where, in these transactions, a deduction is made from the gross weight, it is for tare. Where the character # precedes figures, it indicates the tag number placed on the goods before they leave the packing house.

TRANSACTIONS

SCRANTON, PA., JUNE 1, 190

A copartnership has this day been formed between Frank L. Cooper and James T. Wilson for the purpose of carrying on a wholesale meat business under the firm name of The Lackawanna Packing Company.

Frank L. Cooper invests in the business the building at 213 Cliff St., valued at	3000.00
James T. Wilson invests cash,	3000.00

The gains or losses are to be shared equally.

Journal.

Cash Book.

—1—

Bought the following goods on account. Invoices checked and found to be O. K.

Armour & Co.,

#22	1 Hind,	110 lb.	.06¼	6.88	
#18	1 "	104 "	.07½	7.80	
#27	1 "	95 "	.06½	6.18	
# 7	2 "	215 "	.06¾	14.51	
# 5	2 "	272 "	.06¾	18.36	
# 7	1 Side Beef,	225 "	.06	13.50	
#18	1 " "	221 "	.05⅞	12.98	
	Pork Loins,	198 "	.09⅞	19.55	99.76

Purchase Book. Credit Armour & Co., and debit Merchandise.

Cudahy & Co.,

2 Rounds,	160 lb.	.07½	12.00	
2 Ribs,	82 "	.10	8.20	
1 Side Beef,	275 "	.08⅛	22.34	
1 Steer,	422 "	.07	29.54	
1 "	474 "	.06¾	32.00	
1 "	423 "	.06¾	28.55	
Pork Loins,	99 "	.10	9.90	142.53

Purchase Book.

Swift & Co.,

10 S. Hams,	204 lb.	.10¼	20.91	
20 Cal. Hams,	176 "	.07	12.32	
24 Hams,	249 "	.10	24.90	
1 bbl. Hams,	301 "	.10	30.10	
1 " Wy. Hams,	322 "	.09⅞	31.80	
1 Steer,	670 "	.07½	50.25	
1 "	489 "	.07	34.23	
1 Side Beef,	362 "	.07½	27.15	
1 " "	276 "	.08¼	22.77	254.43

Purchase Book.

—— 2 ——

Sold to P. J. Collins, 416 Market St., on account,

# 22 1 Hind,	110 lb.	.07½	8.25	
# 7 1 Side Beef,	225 "	.08¼	18.56	
Pork Loins,	198 "	.11½	22.77	49.58

Order-Sheet Sales Book. See Art. **3.**

—— 2 ——

Sold to Martin & Campbell, 133 Jackson St., on account,

2 Rounds,	160 lb.	.09	14.40	
2 Ribs,	82 "	.12	9.84	24.24

Order-Sheet Sales Book.

—— 3 ——

Bought from Armour & Co., on account,

3 bbl. Hams,	1100 lb.	.11½	126.50

Less 2% for cash in 10 days.

24	379	19
21	380	20
26	398	18
71	1157	57

Purchase Book.

—— 3 ——

Bought from Cudahy & Co., on account,

2 bbl. Smoked Bacon,	630 lb.	.10⅛	63.79

340	20
331	21
671	41

Purchase Book.

—— 3 ——

Sold to Clark & Son, 1524 Mulberry St., on account,

1 Side Beef,	275 lb.	.09¾	26.81	
1 Steer,	422 "	.08½	35.87	
Pork Loins,	99 "	.12	11.88	74.56

Order-Sheet Sales Book.

—— 4 ——

Sold to P. J. Collins, on account,

1 bbl. Hams,	301 lb.	.11¾	35.37	
1 Steer,	670 "	.09	60.30	95.67

Order-Sheet Sales Book.

—— 5 ——

Bought from Omaha Packing Co., on account,

5 tierces K. R. Lard,	2013 lb.		.07½	150.98
	487	70		
	474	69		
	493	84		
	471	70		
	439	58		
	2364	351		

Purchase Book.

—— 5 ——

Sold to Smith's Cash Store, 1726 Main St., on account,

24 Hams,	249 lb.	.11¾	29.26	
1 bbl. Wy. Hams,	322 "	.13	41.86	
1 Side Beef,	276 "	.09¾	26.91	98.03

Order-Sheet Sales Book.

—— 5 ——

Sold to W. E. Edwards & Co., 717 Myrtle St., on account,

20 Cal. Hams,	176 lb.	.08¾	15.40	
1 Steer,	489 "	.08½	41.57	
1 Side Beef,	362 "	.09	32.58	89.55

Order-Sheet Sales Book.

—— 7 ——

Bought from Armour & Co., on account,

4 pcs. Smoked Bacon,	14 lb.,	.10	1.40	
3 " " "	9 "	.10	.90	
1 bbl. Dry Salt "	327 "	.09⅞	32.29	34.59

Purchase Book.

—— 7 ——

Bought from Omaha Packing Co., on account,

14 pcs. Smoked Bacon,	35 lb.,	.10	3.50	
16 " " "	38 "	.10	3.80	7.30

Purchase Book.

—— 7 ——

Bought from Cudahy & Co., on account,

5 bbl. Pigs' Feet,	8.00	40.00	
10 hf. bbl. Pigs' Feet,	4.00	40.00	
20 qr. " " "	2.00	40.00	120.00

Purchase Book.

—— 7 ——

Bought for cash,

Pork Loins, 198 lb. .11½ 22.77

Cash Book.

—— 7 ——

Sold to Martin & Campbell, on account,

2 tierces Lard,	822 lb.	.10	82.20	
	487	70		
	474	69		
	961	139		
1 bbl. Smoked Bacon,	320 lb.	.12½	40.00	
1 " Hams, 24 pcs.,	360 "	.13½	48.60	170.80

Order-Sheet Sales Book.

—— 7 ——

Sold to Richard Kelly, 326 Maple St., on account,

2 bbl. Hams,	740 lb.	.13½	99.90
24	380	20	
26	398	18	
50	778	38	

Order-Sheet Sales Book.

—— 8 ——

Sold to Clark & Son, on account,

#18	1 Hind,	104 lb.	.09	9.36	
#27	1 "	95 "	.08	7.60	
#18	1 Side Beef,	221 "	.08	17.68	34.64

Order-Sheet Sales Book.

—— 8 ——

Sold to Smith's Cash Store, on account,

#7	2 Hinds,	215 lb.	.08½	18.28	
#5	2 "	272 "	.08½	23.12	41.40

Order-Sheet Sales Book.

—— 9 ——

Sold to Richard Kelly, on account,

1 Steer,	474 lb.	.08	37.92	
1 "	423 "	.08	33.84	
1 bbl. Smoked Bacon,	310 "	.12½	38.75	110.51

Order-Sheet Sales Book.

—— 9 ——

Sold to W. E. Edwards & Co., on account,

10 S. Hams,	204 lb.	.13	26.52	
1 tierce Lard,	409 "	.10	40.90	67.42

Terms: 30 days net, or 2% off for cash in 10 days.

Order-Sheet Sales Book.

—— 10 ——

Sold to P. J. Collins, on account,

2 tierces Lard,	782 lb.		.10	78.20	
	471	70			
	439	58			
	910	128			
4 pcs. Smoked Bacon,	14 lb.		.11½	1.61	79.81

Order-Sheet Sales Book.

—— 10 ——

Received from Cudahy & Co., Wilkes-Barre, Pa., Consignment No. 1, to be sold on commission,

4 Sheep,	35	38	34	37

Journal.

—— 10 ——

Paid the following invoices of the 1st,

Armour & Co.,	99.76
Cudahy & Co.,	142.53
Swift & Co.,	254.43

Cash Book.

—— 11 ——

Sold to Martin & Campbell, on account,

14 pcs. Smoked Bacon,	35 lb.	.11½	4.03	
16 " " "	38 "	.11¼	4.28	8.31

Order-Sheet Sales Book.

—— 12 ——

Bought from Cudahy & Co., on account,

5 bbl. Cal. Hams,	1630 lb.	.07	114.10	
27	323	19		
24	317	17		
25	386	19		
24	360	21		
21	340	20		
121	1726	96		

Purchase Book.

—— 12 ——

Bought from Omaha Packing Co., on account,

5 cases Lard, 20 3-lb. pails,	300 lb.	.09	27.00	
5 " " 12 5-lb. "	300 "	.09	27.00	
5 " " 6 10-lb. "	300 "	.09	27.00	
5 tubs " 60 lb.	300 "	.07¾	23.25	104.25

Purchase Book.

—— 12 ——

Sold to Clark & Son, on account,

1 bbl. Dry Salt Bacon,	327 lb.	.10	32.70

Order-Sheet Sales Book.

—— 12 ——

Received cash from P. J. Collins, for bill of 2d, $49.58.
Cash Book.

—— 12 ——

Received cash from Martin & Campbell, for bill of 2d, $24.24.
Cash Book.

—12—

Sold for cash, from Consignment No. 1, Cudahy & Co.,
2 Sheep, 75 lb. .09½ 7.13

Cash Book. Credit Consignment No. 1, Cudahy & Co.

—12—

Returned to Omaha Packing Co.,
5 cases Lard, 6 10-lb. pails, 300 lb. .09 27.00

Journal. See Art. **8.**

—14—

Received cash from Clark & Son, for bill of 3d, $74.56.

Cash Book.

—14—

Received cash from P. J. Collins, for bill of 4th, $95.67.

Cash Book.

—14—

Paid the following invoices of the 3d,
Cudahy & Co., 63.79
Armour & Co., 126.50, less 2%

Cash Book. Debit Armour & Co. for full amount of bill and credit Discount for the discount. See Art. **13.**

—14—

Sold to Martin & Campbell, on account, from Consignment No. 1, Cudahy & Co.,
2 Sheep, 69 lb. .09½ 6.56

Journal.

—14—

Bought from Armour & Co., on account,
10 tierces Lard, 4090 lb. .08 327.20

479	72	471	60
485	69	469	61
496	71	451	60
492	81	471	70
486	80	490	76
2438	373	2352	327

Purchase Book.

—— 14 ——

Sold to Smith's Cash Store, on account,

3 pcs. Smoked Bacon, 9 lb. .11½ 1.04

Order-Sheet Sales Book.

—— 15 ——

Bought from Swift & Co., on account,

10 bbl. Hams, 3644 lb. .10¼ 373.51

23	371	20	27	398	20
24	378	19	24	367	17
26	394	24	25	381	19
30	398	20	24	371	20
30	384	19	27	401	21
133	1925	102	127	1918	97

Purchase Book.

—— 15 ——

Paid Omaha Packing Co. for invoice of the 5th, $150.98.

Cash Book.

—— 15 ——

Sold to W. E. Edwards & Co., on account,

1 bbl. Cal. Hams, 304 lb. .08¾ 26.60

Order-Sheet Sales Book.

—— 15 ——

Received cash from W. E. Edwards & Co., for bill of 5th, $89.55.

Cash Book.

—— 15 ——

Received cash from Smith's Cash Store, for bill of 5th, $98.03.

Cash Book.

—— 16 ——

Paid Cudahy & Co., Wilkes-Barre, the net proceeds of Consignment No. 1, as follows:

Gross proceeds, 13.69

Charges: Freight, .40

Commission, .68 1.08 12.61

Journal. Credit Freight and Commission.

Cash Book. Debit Consignment No. 1 for net proceeds.

—— 16 ——

Made Shipment No. 1 of the following goods to Blake & Easton, Shamokin, Pa., to be sold on commission:

5 tierces Lard,	2025 lb.	.08	162.00
	471	60	
	469	61	
	451	60	
	471	70	
	490	76	
	2352	327	

Journal.

—— 16 ——

Sold to Richard Kelly, on account,

5 tubs Lard,	60 lb.,	300 lb.	.10	30.00

Order-Sheet Sales Book.

—— 17 ——

Sold to P. J. Collins, on account,

1 bbl. Cal. Hams, 24 pcs.,	300 lb.	.08¾	26.25	
1 tierce Lard,	407 "	.09⅛	37.14	63.39

Order-Sheet Sales Book.

—— 17 ——

Received cash from Richard Kelly, for bill of 7th, $99.90.

Cash Book.

—— 18 ——

Richard Kelly returned 5 tubs Lard, 60 lb. each,

300 lb.	.10	30.00

Journal.

—— 18 ——

Received cash from Smith's Cash Store, for bill of 8th, $41.40.

Cash Book.

—— 18 ——

Received cash from Clark & Son, for bill of 8th, $34.64.

Cash Book.

—— 18 ——

Received cash from Martin & Campbell, for bill of 7th, $170.80.

Cash Book.

—— 18 ——

We mortgage our real estate for $2000.00, at 6%. Mortgage dated June 15, 190 .

Cash Book. Credit Mortgages Payable.

—— 18 ——

Paid the following invoices of the 7th,

Omaha Packing Co.,	7.30
Armour & Co.,	34.59
Cudahy & Co.,	120.00

Cash Book.

—— 19 ——

Received cash, less 2% discount, from W. E. Edwards & Co., for bill of the 9th, $67.42.

Cash Book. Debit cash and credit Edwards & Co. for face of bill. Debit Discount for $1.35, the discount allowed.

—— 19 ——

Received cash from Richard Kelly, for bill of the 9th, $110.51.

Cash Book.

—— 19 ——

Sold to Martin & Campbell, on account,

5 cases Lard, 20 3-lb. pails,	300 lb.	.11	33.00	
1 bbl. Hams, 23 pcs.,	351 "	.12½	43.88	76.88

Order-Sheet Sales Book.

—— 20 ——

Received 30-day note from P. J. Collins, for bill of 10th, $79.81.

Journal.

—— 20 ——

Discounted note of P. J. Collins at bank. Interest for 30 days at 6%, $.40.

Cash Book. Credit Notes Receivable for full amount of note, $79.81. Debit Interest for the discount charged by the bank.

—— 20 ——

Sold to Clark & Son, on account,

2 bbl. Hams,	729 lb.	.12½	91.13
24	378	19	
26	394	24	
50	772	43	

Order-Sheet Sales Book.

—— 21 ——

Received cash from Martin & Campbell, for bill of 11th, $8.31.

Cash Book.

—— 22 ——

Received cash from Clark & Son, for bill of 12th, $32.70.

Cash Book.

—— 24 ——

Sold for cash,

5 tubs Lard,	60 lb.,	300 lb.	.10	30.00

Cash Book.

—— 24 ——

Sold to Smith's Cash Store, on account,

2 bbl. Hams,	743 lb.	.12½	92.88
30	398	20	
30	384	19	
60	782	39	

Order-Sheet Sales Book.

—— 25 ——

Received cash from W. E. Edwards & Co., for bill of 15th, $26.60.

Cash Book.

—— 25 ——

Received cash from Smith's Cash Store, for bill of 14th. $1.04.

Cash Book.

—— 26 ——

Sold to W. E. Edwards & Co., on account,

1 tierce Lard, 416 lb. .09$\frac{7}{8}$ 41.08

Order-Sheet Sales Book.

—— 26 ——

Allowed P. J. Collins 1c. discount on 300 lb. Hams bought on 17th, $3.00.

Journal.

—— 28 ——

Sold to Richard Kelly, on account,

5 cases Lard, 12 5-lb. pails, 300 lb. .10$\frac{7}{8}$ 32.63

Order-Sheet Sales Book.

—— 30 ——

Paid freight for the month, $9.25.

Cash Book.

—— 30 ——

Paid clerks for the month, $55.00.

Cash Book.

—— 30 ——

Post to the Ledger; from the Journal first, then from the Sales Book and Cash Book.

Take a Trial Balance.

Take Inventories. (Use the figures given in the accompanying inventories.)

Make out a Statement of the Business.

Transfer Merchandise Return and Rebate account to Merchandise account.

Close the books.

INVENTORIES

Merchandise

Article	Quantity	Cost	Amount	
Hams, Cal., 3 bbl.,	1026 lb.	.07	71.82	
" 5 "	1821 "	.10¼	186.65	
Lard, 3 tierces,	1242 "	.08	99.36	
496	71			
492	81			
486	80			
1474	232			
Pigs' Feet, 5 bbl.,		8.00	40.00	
" " 10 hf. "		4.00	40.00	
" " 20 qr. "		2.00	40.00	
Pork Loins,	198 lb.	.11½	22.77	500.60
Real Estate				
Store building and lot,				3000.00
Shipment No. 1				
Blake & Easton, Shamokin, Pa.,				162.00
				3662.60

PURCHASE BOOK AND JOURNAL

1

Scranton, Pa., June 1, 190

Beef	Pork	Lard	Smoked Meats	Dry Salt Bacon	Sundries	LF		LF	Sundries
							A copartnership has this day been formed between Frank L. Cooper and James T. Wilson for the purpose of carrying on a wholesale meat business at 213 Cliff St. under the firm name of The Lackawanna Packing Co. The losses and gains are to be shared equally. Each invests as follows:		
					3000—	3	Real Estate		
						1	Frank L. Cooper, Building at 213 Cliff St.		3000—
					3000—		√ Cash		
						2	James T. Wilson		3000—
							1		
8021	1955					12	Armour & Co.		9976
13263	990					13	Cudahy & Co.		14253
13440			12003			14	Swift & Co.		25443
							Invoices this date		
							3		
			126.50			12	Armour & Co.		126.50
			63.79			13	Cudahy & Co.		63.79
							Invoices this date		
							5		
		150.95				15	Omaha Packing Co.		150.95
							Invoices this date		
							7		
			230	32.29		12	Armour & Co.		34.59
			7.30			15	Omaha Packing Co.		7.30
	120—					13	Cudahy & Co.		120—
							Invoices this date		
34724	14945	150.95	31992	32.29	6000—				69995

2

June 10, 190

Beef	Pork	Lard	Smoked Meats	Dry Salt Bacon	Sundries	LF			LF	Sundries
34724	14945	15095	31992	32 29	6000					6499 58
						16	Consignment No. 1, Cudahy Bros.			
							Wilkes-Barre Branch.			
							4 sheep, 35, 38, 34, 37.			
							12			
			11410			13	Cudahy & Co.			11410
	10425					15	Omaha Packing Co.			10425
							Invoices this date.			
							12			
					27 –	15	Omaha Packing Co.			
						5	Mdse. R. & R. Acct.			27 –
							Returned 5 cases Lard.			
							6 10 lb. pails, 300 lb., 09.			
							14			
					656 20		Martin & Campbell			
						16	Con. No. 1, Cudahy & Co.			656
							2 sheep, 69 lb., 09½.			
							14			
	327 20					12	Armour & Co.			327 20
							Invoice this date.			
							15			
			373 51			14	Swift & Co.			373 51
							Invoice this date.			
							14			
					108 16		Consignment No. 1, Cudahy & Co.			
						9	Freight			40
						18	Commission			68
							Closed today			
							14			
					162 –	17	Shipment No. 1, to Blatz & Easton,			
							Shamokin, Pa.			
						4	Mdse.			162 –
							Stieres Tod. 2 cells, 08.			
							471-60 469-61 451-60			
							471-70 490-76			
							18			
					30 –	5	Mdse. R. & R. Acct.			
						24	Richard Kelley			30 –
							Returned 5 60 lb. tubs			
							Lard, 300 lb., 10.			
34724	14945	15242	11753	32 29	6226	64				11458

3

June 20, 190

Beef	Pork	Lard	Smoked Meats	Dry Salt Bacon	Sundries	LF			LF	Sundries
347.24	149.45	582.43	807.53	32.29	6226.64					8145.58
					7981.6		Notes Receivable			
						19	P. J. Collins,			7981
							30-day note for			
							bill of oth.			
							26			
					3-5		Mass. R. R. Tax			
						19	P. J. Collins,			3-
							Discount on bill			
							of 17th.			
							30			
347.24	149.45	582.43	807.53	32.29	19184.44		Mass.			
							Purchases for month			
					5228.39					5228.39

SALES BOOK

The Lackawanna Packing Company

No. _____ Folio 1

190	Shipper's Check	Ledger Folio	Articles	Weight	Price		Totals	
June 2	K	19	P. J. Collins, 116 Market St.					
	✓		#22 1 Hind	110	7½	8 25		
	✓		#7 1 Side Pork	55	8½	4 67		
	✓		Pork Loins	195	11½	22 42	34	34
	K	20	Martin Campbell, 133 Jackson St.					
	✓		2 Rounds	160	7	11 20		
	✓		2 Ribs	82	12	9 84	21	04
							73	82

The Lackawanna Packing Company.

No. _____ Folio 2.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								73	82
June 3	E.	21	Clark & Jones, 524 Mulberry St.						
	✓		1 Side Beef,	275	9¾	26	81		
	✓		1 Steer,	422	8½	35	87		
	✓		Pork Loins,	99	12	11	88	74	56
June 4	K.	19	P. J. Collins,						
	✓		1 bbl. Hams,	301	11¾	35	37		
	✓		1 Steer,	670	9	60	30	95	67
								244	05

The Lackawanna Packing Company

No. _____ Folio 3.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								244	05
June 5	K.	22	Smith's Cash Store, 1726 Main St.						
	✓		24 Hams,	249	11¾	29	26		
	✓		1 bbl. Wyo. Hams,	322	13	41	86		
	✓		1 Side Beef,	276	9¾	26	91	98	03
	E.	23	W. E. Edwards & Co., 717 Myrtle St.						
	✓		20 Calif. Hams,	176	8¾	15	40		
	✓		1 Steer,	489	8½	41	57		
	✓		1 Side Beef,	362	9	32	58	89	55
								431	63

The Lackawanna Packing Company

No. _____ Folio 4

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								431	63
June 7	E.	20	Martin & Campbell						
	✓		2 tierces Lard	822	10	82	20		
	✓		487-70 474-69						
	✓		1 bbl. Smoked Bacon	320	12½	40	—		
	✓		1 " Hams, 24 pcs.	360	13½	48	60	170	80
	K.	24	Richard Kelly, 326 Maple St.						
	✓		2 bbl. Hams	740	13½	99	90	99	90
	✓		24 380 20						
	✓		26 398 18						
								702	33

The Lackawanna Packing Company

No. _____ Folio 5

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								702	33
June 8	K.	21	Clark & Son						
	✓		#18 1 Hinds	104	9	9	36		
	✓		#27 1 "	95	8	7	60		
	✓		#18 1 Side Back	221	8	17	68	34	64
	C.	22	Smith's Cash Store						
	✓		#7 2 Hinds	215	8½	18	28		
	✓		#5 2 "	272	8½	23	12	41	40
								778	37

On Folio 4, the figures that appear just below the entry charging Richard Kelly with two barrels of hams indicate that one barrel contains 24 hams, that the gross weight of this barrel is 380 lb., and that the tare is 20 lb. The other barrel contains 26 hams, its gross weight is 398 lb., and the tare is 18 lb. The total net weight of the two barrels is 740 lb. as indicated.

The Lackawanna Packing Company

No. _____ Folio 6.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								778	37
June 9	E.	24	Richard Kelly,						
	✓		1 Steer,	474	8	37	92		
	✓		1 "	423	8	33	84		
	✓		1 bbl. Smoked Bacon,	310	12½	38	75	110	51
	E.	23	W. E. Edwards & Co.,						
	✓		10 Smoked Hams,	204	13	26	52		
	✓		1 tierce Lard,	409	10	40	90	67	42
			30 ds. 2/10.						
								956	30

The Lackawanna Packing Company

No. _____ Folio 7.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								956	30
June 10	K.	19	F. J. Collins,						
	✓		2 tierces Lard,	782	10	78	20		
	✓		471-70 439-58.						
	✓		4 pcs Smoked Bacon,	14	11½	1	61	79	81
11	K.	20	Martin & Campbell,						
	✓		14 p.s. Smoked Bacon,	35	11½	4	03		
	✓		16 " " "	38	11¼	4	28	8	31
								1044	42

The Lackawanna Packing Company

No. _____ Folio 8.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								1042	42
June 12	E.	21	Clark & Son,						
	✓		1 bbl. Dry Salt Bacon,	327	10			32	70
14	E.	22	Smith's Cash Store,						
	✓		3 pcs. Smoked Bacon,	9	11½			1	04
15	K.	23	W. E. Edwards & Co.,						
	✓		1 bbl. Calif. Hams,	300	8¾			26	25
								1104	76

The Lackawanna Packing Company

No. _____ Folio 9.

190	Shipper's Check	Ledger Folio	Articles	Weight	Price			Totals	
								1104	76
June 16	K.	24	Richard Kelly,						
	✓		5 tubs Lard, 60 lb.,	300	10			30	—
17	E.	19	T. J. Collins,						
	✓		1 bbl. Calif. Hams, 24 pcs.,	300	8¾	26	25		
	✓		1 tierce Lard,	407	9⅛	37	14	63	39
19	K.	20	Martin & Campbell,						
	✓		5 cases Lard, 20 3-lb. pails,	300	11	33	—		
	✓		1 bbl. Hams, 23 pcs.,	351	12½	43	88	76	88
								1275	03

The Lackawanna Packing Company

No. _____ Folio 10

190	Shipper's Check	Ledger Folio	Articles	Weight	Price	Totals
June 20	E.	21	Clark & Son,			127503
	✓		2 bbl. Hams,	729	12½	9113
	✓		24 378 19			
	✓		26 394 24			
	✓		50 772 43			
24	K.	22	Smith's Cash Store,			
	✓		2 bbl. Hams,	743	12½	9288
	✓		30 398 20			
	✓		30 384 19			
	✓		60 782 39			145904

The Lackawanna Packing Company

No. _____ Folio 11

190	Shipper's Check	Ledger Folio	Articles	Weight	Price	Totals
June 26	E.	23	W. E. Edwards & Co.,			1459 04
	✓		1 tierce Lard,	416	9 7/8	41 08
28	E.	24	Richard Kelly,			
	✓		5 cases Lard, 12 5-lb. pails,	300	10 7/8	32 63
		4	Total sales for month,			1532 75

2

Cash.

190				Sundries		Mdse.
June 1		Investment,		3000 —		
12	19	P. P. Collins,	bill of 2d,	49 58		
	20	Martin & Campbell,	" " 2d,	24 24		
	16	Con. No. 1, Cudahy & Co.,	2 sheep, 75 lb., 09½,	7 13		
14	21	Clark & Son,	bill of 3d,	74 56		
	19	P. P. Collins,	" " 4th,	95 67		
	7	Discount,	2% Armour's bill,	2 53		
15	23	W. E. Edwards & Co.,	bill of 5th,	19 55		
	22	Smith's Cash Store,	" " 5th,	75 03		
17	24	Richard Kelly,	" " 7th,	92 90		
18	22	Smith's Cash Store,	" " 8th,	61 40		
	21	Clark & Son,	" " 8th,	34 64		
	20	Martin & Campbell,	" " 7th,	170 80		
	11	Mortgages Payable,	dated 15th,	2000 —		
19	23	W. E. Edwards & Co.,	bill of 9th, less 2%,	67 42		
	24	Richard Kelly,	" " 9th,	110 51		
20	6	Notes Receivable,	Collins' note, dis.,	79 81		
21	20	Martin & Campbell,	bill of 11th,	8 31		
22	21	Clark & Son,	" " 12th,	32 70		
24	5	Mdse.,	cash sale,		30 —	
25	23	W. E. Edwards & Co.,	bill of 15th,	26 60		
	22	Smith's Cash Store,	" " 14th,	1 04		
30	4	Mdse.,	total cash sales,	30 —		
				6144 42		
July 1		Balance,		5643 16		

2

Cash.

19			Sundries	Mdse.
June 1	Mdse.	bought for cash		2277
10 12	Armour & Co.	invoice of 1st	99 76	
13	Cudahy & Co.	" " 1st	142 53	
14	Swift & Co.	" " 1st	254 43	
14 18	Cudahy & Co.	" " 3d	6 39	
12	Armour & Co.	" " 3d disc.	126 50	
15 15	Omaha Packing Co.	" " 5th	150 95	
16 16	Consignment No. 1, Cudahy & Co. net proceeds		12 61	
18 15	Omaha Packing Co.	invoice of 7th	7 30	
12	Armour & Co.	" " 7th	34 59	
13	Cudahy & Co.	" " 7th	126 —	
19 7	Discount	2% Edwards & Co.	1 35	
20 8	Interest	disc. on Collins note	40	
30 9	Freight	bills for month	9 25	
10	Wages	clerk hire	55 —	
4	Mdse.	total bought for cash	22 77	
			614 — 42	

Name *Frank L. Cooper*

Address

Remarks

Terms O. L. F.

Card No. **1**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1			3000 —								
30	Gain	25			107 62								
July 1	Bal.				3107 62								

Name James T. Wilson

Address

Remarks

Terms

O. L. F.

Card No. 2

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1			3000—								
30	Gain 2.5				107.63								
July 1	Bal.				3107.63								

Name *Real Estate.*

Address

Remarks

Terms

O. L. F.

Card No. **3**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1	3000—										
July 1	Bal.		3000—										

Name *Merchandise*

Address

Remarks

Terms

O. L. F.

Card No. **4**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	J.	2			162—								
30		3	1918 94										
30	S.	11			1532 75								
30	C.	2			30—								
			22 77										
30	L.	5	33—		27—								
July 1	Inv't.		500 60										

Name Mdse. R. & R. Acct.

Address

190

Remarks

Terms

O. L. F.

Card No. 5

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 12	J.	2			27 —								
18			30 —										
26		3	3 —										
[illegible]	[illegible]	—	[illegible]		[illegible] —								

43

Name *Notes Receivable*

Address

Remarks

Terms

O. L. F.

Card No. **6**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 20	J.	3	79 81										
20	C.	2			79 81								

Name *Discount*

Address

Remarks

Terms

O.L.F.

Card No. 7

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 14	C.	2			2 53								
19			1 35										

Name *Interest.*

Address

Remarks

Terms

O. L. F.

Card No. **8**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 20	C.	2	40										

Name *Freight.*

Address

Remarks

Terms

O. L. F.

Card No. **9**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	J.	2			40								
30	C.	2	925										

4

Name Wages.

Address

190

Remarks

Terms

O. L. F.

Card No. 10

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 30	Ck.	2	55—										

Name *Mortgages Payable.*

Address

Remarks

Terms

O. L. F.

Card No. **11**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 18	C.	2			2000 —								

Name Armour & Co.

Address Chicago, Ill.

Remarks

Terms O L.F.

Card No. 12

Rating

Limit

140

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1			99 76								
3					126 50								
7					34 59								
14		2			327 20								
10	C.	2	99 76										
14			126 50										
18			34 59			327 20							

Name Cudahy & Co.

Address Kansas City, Mo.

Remarks

Terms

O.L.F.

Card No. 13

Rating

Limit

150

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1			142 53								
3					63 79								
7					120 —								
12		2			114 10								
10	C.	2	142 53										
14			63 79										
18			120 —			114 10							

51

Name Swift & Co.

Address Kansas City, Mo.

190

Remarks

Terms

O.L.F.

Card No 14

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 1	J.	1			2 54 43								
15		2			34 - 3 51								
10	C.	2	2 54 43			34 - 3 51							

Name Omaha Packing Co.

Address Omaha, Neb.

Remarks

Terms

O. L. F.

Card No. 15

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 5	J.	1			150 98								
7					7 30								
12		2			104 25								
			27 —										
15	C.	2	150 98										
18			7 30			77 25							

Name Consignment No. 1, N. Cudahy & Co.,

Address Wilkes-Barre, Pa.

190

Remarks

Terms

O. L. F

Card No. 16

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 10	J.	2											
	4 sheep.												
	35-38												
	34-37												
14	69	2			6 56								
16			1 08										
12	75 Cr.	2			7 13								
16			12 61										

Name Shipment No. 1, Blake & Easton,

Address Shamokin, Pa.

Remarks

Terms

O. L. F.

Card No. 17

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	J.	2	162—										
	5 tierces												
	2025 lbs. @												
	471-60												
	469-61												
	451-60												
	471-70												
	490-76												
	2352	327											
July 1	Bal.		162—										

55

Name *Commission.*

Address

Remarks

Terms

O.L.F.

Card No. **18**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 16	J.	2			68								

Name P. J. Collins.

Address 416 Market St.

19°

Remarks

Terms

O.L.F.

Card No. 19

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 20	J.	3			79 81								
26					3 —								
2	S.	1	49 58										
4		2	95 67										
10		7	79 81										
17		9	63 39										
12	C.	2			49 58								
14					95 67	60 39							

Name Martin V. Campbell

Address 133 Jackson St.

190

Remarks

Terms

O. L. F.

Card No. 20

Rating

Limit

DATE		ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE		ITEM	FOLIO	DEBITS	CREDITS	BALANCE
June	14	J.	2	6 56										
	2	S.	1	24 24										
	7		4	170 80										
	11		7	8 31										
	19		9	76 55										
	12	C.	2			24 24								
	18					170 80								
	21					8 31	83 44							

Name Clark & Son,

Address 1524 Mulberry St.

Remarks

Terms

O. L. F.

Card No. 21

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 3	S.	2	74 56										
8		5	34 64										
12		8	32 70										
20		10	91 13										
14	C.	2			74 56								
18					34 64								
22					32 70	91 13							

Name *Smith's Cash Store,*

Address *1726 Main St.*

190

Remarks	Terms	Card No. 22
	O. L. F.	Rating
		Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 5	S.	3	95 03										
8		5	41 40										
14		8	1 04										
24		10	92 58										
15	C.	2			95 03								
18					41 40								
25					1 04	92 58							

Name W. E. Edwards & Co.

Address 717 Myrtle St.

Remarks

Terms

O. L. F.

Card No. **23**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 5	S.	3	89 55	✓									
9		6	67 42	✓									
15		8	26 60	✓									
26		11	41 08										
15	C.	2			89 55								
19					67 42								
25					26 60	41 08							

Name Richard Kelly

Address 326 Maple St.

Remarks

Terms

O.L.F.

Card No. 24

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 18	J.	2			30—								
7	J.	4	9990										
9		6	11051										
16		9	30—										
28		11	3263										
17	C.	2			9990								
19					11051	3263							

Name *Loss & Gain.*

Address

Remarks

Terms

O. L. F.

Card No. **25**

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
June 30	Mdse.	4			2776 64								
	Dis.	7			1 18								
	Int.	8	40										
	Ft.	9	885										
	Wages	10	55 —										
	Coms.	18			68								
	[illegible]		[illegible]										
	[illegible]		[illegible]										

Trial Balance, June 30, 190

0 Cash,	504216		
1 Frank L. Cooper,		3000 —	
2 James J. Wilson,		3000 —	
3 Real Estate,	3000 —		
4 Merchandise,	14471	17247	5
5 Miss. R. & R. Acct.,	33 —	27 —	
7 Discount,	135		253
8 Interest,	40		
9 Freight,	225		40
10 Wages,	55 —		
11 Mortgages Payable,		2000 —	
12 Armour & Co.,		3272	20
13 Cudahy & Co.,		1141	10
14 Swift & Co.,		3732	51
15 Omaha Packing Co.,		77	25
17 Shipment No. 1, to B. & E.,	162 —		
18 Commissions,			68
19 P. J. Collins,	6039		
20 Martin & Campbell,	8344		
21 Clark & Son,	4113		
22 Smith's Cash Store,	2288		
23 W. E. Edwards & Co.,	4105		
24 Richard Kelly,	3263		
	10247 42	10247	42

Statement of Business, June 30, 190

Resources:			
Merchandise Inv't.		500 60	
Real Estate.		3000 —	
Ship. No. 1, to B & C.		162 —	
Cash.		504 316	
L. J. Collins.		60 39	
Martin & Campbell.		83 44	
Clark & Son.		91 13	
Smith's Cash Store.		92 88	
W. C. Edwards & Co.		41 08	
Richard Kelly.		32 63	9107 31
Liabilities:			
Mortgage Payable.		2000 —	
Armour & Co.		327 20	
Eudahy & Co.		114 10	
Swift & Co.		373 51	
Omaha Packing Co.		772 52	2892 06
Present Worth.			6215 25
Proprietors.			
Frank L. Cooper.			
Investment.	3000 —		
Gain.	107 62	3107 62	
James T. Wilson.			
Investment.	3000 —		
Gain.	107 63	3107 63	
Present Worth.			6215 25

DOUBLE-ENTRY BOOKKEEPING

(PART 4)

DEPARTMENT-STORE BOOKS

1. Introduction.—In this Section specially ruled books will be used to illustrate the keeping of accounts with some of the various departments into which a large store is divided; also three Ledgers, which will show how the books of a business may be separated for convenience of handling and as a preventive of error in a Trial Balance.

These books will be a Journal, Cash Book, Petty Cash Book, Check-Register, Invoice Register, Sales Book, Purchase Ledger, Customers' Ledger, and a General Ledger.

BUSINESS FORMS AND METHODS

2. Voucher Checks.—Probably the best way to obtain receipts for all bills paid is to use a **voucher check,** a form of which is shown in Fig. 1. This is an ordinary check with a receipt form attached, on which is stated for what the check is given. The receiver of such a check must sign the voucher in full payment for the bill mentioned. By using this form, the orginal bill need not be returned for receipt, but should be filed in a numerical folder file, and the paid check, when it has been returned through the bank, should be filed with it. If desired, the back of this check may show the distribution of the amount.

3. Checking and Filing Invoices.—All invoices should be checked up immediately to see that the goods have been received and that the prices and extensions are correct. This

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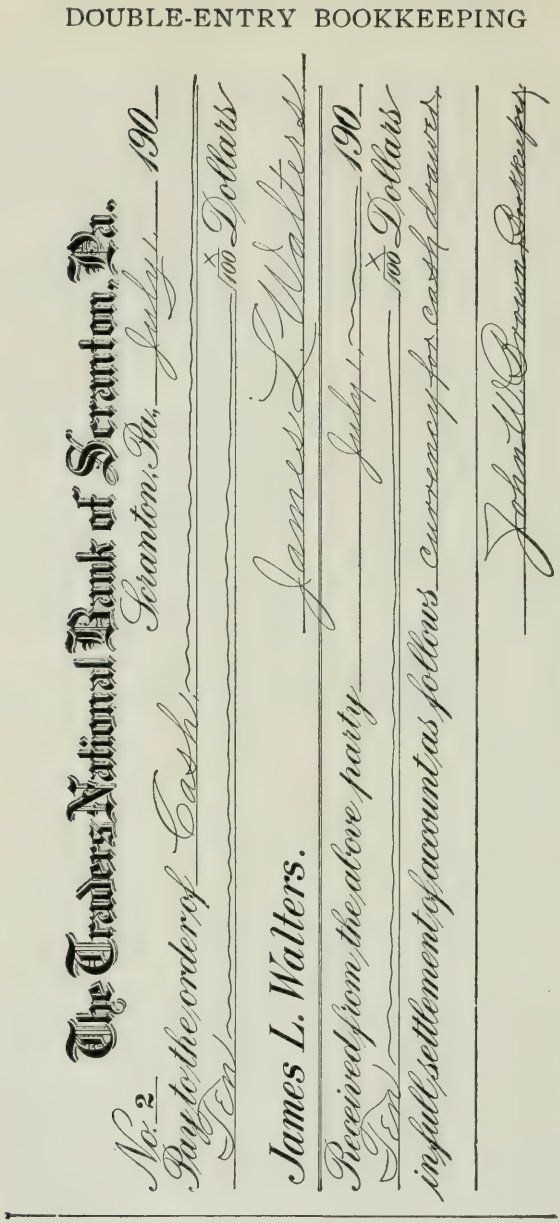
No. 2
The Traders National Bank of Scranton, Pa.
Scranton, Pa., July 190
Pay to the order of Cash
Ten
100 Dollars
James L. Walters.
James L. Walters
Received from the above party July 190
Ten
100 Dollars
in full settlement of account as follows currency for cash drawer.
John W. Brown Cashier
JAMES L. WALTERS

FIG. 1

record is stamped on the face of the invoice by a rubber stamp, as shown in Fig. 2, and the initials of the various people written in. The shipping clerk certifies to the receipt of the goods, the bookkeeper to the extensions, the purchasing agent to the price, and the manager approves the bill and directs to what account or accounts it shall be charged.

RECEIVED.	O.K., J.N.C.
EXTENSIONS.	O.K., J.W.B.
PRICE.	O.K., J.L.W.
APPROVED.	J.L.W.
CHARGE.	Furniture.
,,	
,,	

FIG. 2

Every invoice should be entered in the Invoice Register, then filed in an arch file, shown in Fig. 3, indexed either alphabetically or by days of the month, whichever is preferred.

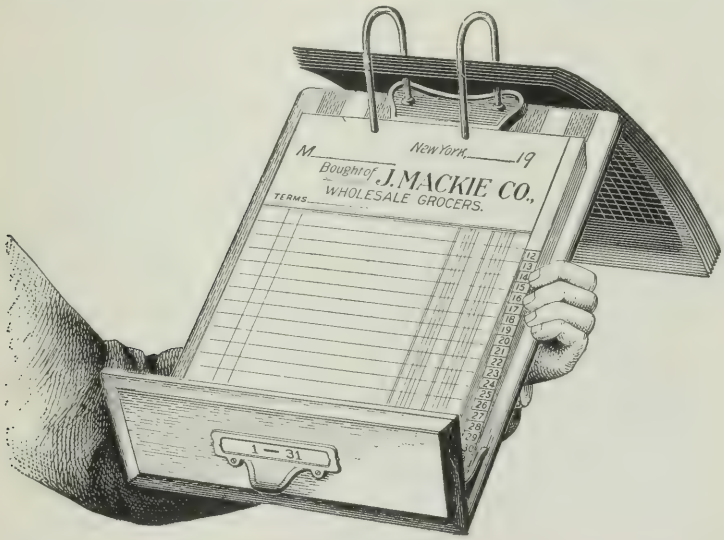

FIG. 3

When an invoice has been paid, if by voucher check, it should be taken from the arch file, folded to the proper

size, marked on the upper right-hand corner with the number given it in the Invoice Register, and then filed in a document file, shown in Fig. 4, in the order of its number. It is a good plan to keep two such document files, one for invoices of merchandise and another for other documents.

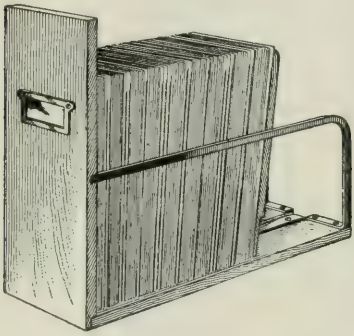

Fig. 4

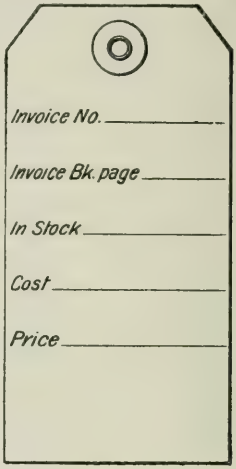

Fig. 5

4. Price Tag.—Each article of merchandise placed on the floor of a store for sale should bear a tag like that shown in Fig. 5. The reason for giving the invoice number is that if it is desired to duplicate any article the invoice will show where the goods were purchased and give all other information connected with the transaction. If the cost price is given on the tag, it should be marked in cipher. The cost price is always given in cipher and sometimes the selling price also.

5. Cipher Price Marks.—There are many kinds of cipher price marks, which generally consist of a series of ten letters that may or may not spell a word and an extra letter for a repeater in such combinations as 22, 33, etc. Each letter has a certain numerical value, as

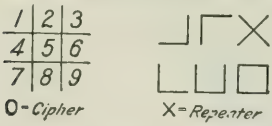

Fig. 6

B L A C K H O R S E
1 2 3 4 5 6 7 8 9 0

Another good device, and one that may be arranged in

many different combinations, is shown in Fig. 6. O is used for the cipher and X for a repeater. By this combination, $1.99 and $3.25 would be written as shown.

TRADE DISCOUNT

6. Trade discounts are reductions made by manufacturers, jobbers, or merchants from their list or catalogue prices. They are computed by the rules of percentage, the list price of the goods being the base. When several discounts are allowed, the first discount is computed on the list price, the second is computed on the remainder after deducting the first discount, and so on, each remainder being regarded as the base for the computation of the next discount. The several discounts, if more than one, form a discount series.

7. Table of Equivalents of a Discount Series.—The following table of equivalent discounts will be found valuable by those who have much bill making that includes the taking off of discounts:

	Per Cent. Off		Per Cent. Off
10 and 5 off equals	$14\frac{1}{2}$	45 and 10 off equals	$50\frac{1}{2}$
15 and 5 off equals	$19\frac{1}{4}$	45, 10, and 5 off equals	$52\frac{39}{40}$
20 and 5 off equals	24	50 and 5 off equals	$52\frac{1}{2}$
20 and 10 off equals	28	50 and 10 off equals	55
25 and 5 off equals	$28\frac{3}{4}$	50, 10, and 5 off equals	$57\frac{1}{4}$
25 and 10 off equals	$32\frac{1}{2}$	55 and 5 off equals	$57\frac{1}{4}$
25, 10, and 5 off equals	$35\frac{7}{8}$	55 and 10 off equals	$59\frac{1}{2}$
30 and 5 off equals	$33\frac{1}{2}$	55, 10, and 5 off equals	$61\frac{21}{40}$
30 and 10 off equals	37	60 and 5 off equals	62
30, 10, and 5 off equals	$40\frac{3}{20}$	60 and 10 off equals	64
35 and 5 off equals	$38\frac{1}{4}$	60, 10, and 5 off equals	$65\frac{4}{5}$
35 and 10 off equals	$41\frac{1}{2}$	65 and 5 off equals	$66\frac{3}{4}$
35, 10, and 5 off equals	$44\frac{17}{40}$	65 and 10 off equals	$68\frac{1}{2}$
40 and 5 off equals	43	65, 10, and 5 off equals	$70\frac{9}{40}$
40 and 10 off equals	46	70 and 5 off equals	$71\frac{1}{2}$
40, 10, and 5 off equals	$48\frac{7}{10}$	70 and 10 off equals	73
45 and 5 off equals	$47\frac{3}{4}$	70, 10, and 5 off equals	$74\frac{7}{20}$

8. Discount for Cash.—Goods are commonly sold payable in 30, 60, or 90 days, with a certain discount, usually 2%, if paid within a stated time, generally 5 or 10 days after the date of the bill.

BOOKS

JOURNAL

9. There is but little use for a **Journal** in a set of books where so many special rulings are used as in this Section. However, a Journal is needed for the entries that do not belong to any one of the special books, and it is always best to include one in every set of books. In Fig. 7 is shown a Journal page somewhat different than those in the previous Sections. This style is preferred by some bookkeepers on account of the Journal part of the entry being separated from the explanation more than in the other style. For this reason the entry can be found more quickly and posting is somewhat facilitated.

CASH BOOK

10. The use of a **Cash Book** ruled as shown in Fig. 8 saves a great deal of posting and shows at a glance much that a proprietor or business manager frequently wishes to know at once.

The Sundries column in Fig. 8 (*a*), or the Cash debit side, shows the total cash received, and the next two the same divided into that received from customers and that received from cash sales, this latter being also credited to the department that produced it. The right-hand, or Cash credit, side shows the total amount paid out and what for. The Sundries column shows the total amount and the other columns the amounts that compose it. By using these special columns, the items are distributed as the entries are made and the labor of posting saved. In this Section each expense item belongs to some one of the accounts having a special column. If there were an item that did not properly belong in any of these columns, it would be entered in the Sundries column only and posted direct to its account in the Ledger.

On the debit side of the Cash Book, the items to be posted are those shown in the column headed Customers, which are credited to the parties in the Customers' Ledger: and the

1

Scranton, Pa., July 1, 190

1	Cash,	I, James L. Walters, begin	3000	—						
1	Jas. L. Walters,	business this day as a					3000	—		
		retail dealer in furniture,								
		carpets, stoves, and lamps,								
		at 812 Lackawanna Ave., in								
		a store rented from Col.								
		Moss, at $1000.00 per year,								
		rent payable monthly in								
		advance.								
		My net investment								
		is $3000.00								
	31									
4	Furniture,	Entry to divide the rent		41	66					
5	Carpets,	expense among the depart-		20	83					
6	Stoves,	ments in proportion to		10	42					
7	Lamps,	the space occupied. Fur-		10	42					
9	Expense,	niture, 1/2; Carpets, 1/4; Stoves, 1/8;					833	33		
		Lamps, 1/8.								
	31									
4	Furniture,	Entry to divide the cost		35	47					
5	Carpets,	for salaries among the		25	92					
6	Stoves,	departments, practically		12	15					
7	Lamps,	in proportion to the sales		4	46					
12	Salaries,	from each. Furniture, 47 7/17%;					81	—		
		Carpets, 32%; Stoves, 15 5/17%;								
		Lamps, 5 4/17%.								
	31									
4	Furniture,	Entry to charge off		5	55					
5	Carpets,	freight at actual cost		1	60					
6	Stoves,	to each department.		2	85					
7	Lamps,				80					
11	Freight,						10	80		
	31									
4	Furniture,	Entry to divide the ad-		9	75					
5	Carpets,	vertising expense among		4	88					
6	Stoves,	the departments in pro-		2	44					
7	Lamps,	portion to the space		2	43					
10	Advertising,	used for each.					19	50		

FIG. 7

2

Cash Book.

Date	LF		Sundries	Customers	Cash Sales	Furniture	Stoves	Carpets	Lamps
July 1	J	Jas L Walters since rch	3000 —						
2	✓	Cash sales,	1580		1580			1580	
3	✓	" "	825		825				825
5	✓	" "	480		480	480			
6	✓	" "	3275		3275	5 —		2775	
7	✓	" "	36 —		36 —	36 —			
9	✓	" "	29 —		29 —	8 —		21 —	
12	✓	" "	615		615			550	65
13	2	W H Barnes bill 8th	6 —	6 —					
16	✓	Cash sales,	90		90				90
	3	A T Snow, bill 7th	2850	2850					
19	✓	Cash sales,	20 —		20 —			20 —	
	2	W H Barnes bill 9th	5040	5040					
20	5	Edw Ware bill 8th	2145	2145					
22	✓	Cash sales,	10 —		10 —	10 —			
24	1	Geo Jones bill 8th	3275	3275					
27	✓	Cash sales,	24 —		24 —	24 —			
28	✓	" "	925		925	925			
29	5	Edw Ware bill 23d	2380	2380					
30	3	A T Snow, " 17 & 26th	52 —	52 —					
	✓		34180	21490	12690	9705		9005	980
31	3	Customers' Ledger Acct	21490						
	4	Furniture,	9705						
	5	Carpets,	9005						
	7	Lamps,	980						

FIG. 8 (a)

2

Cash Book.

Date		LF		Ck.No	Sundries	Purchases	Discounts	Expense	Advertising	Freight	Salaries
July	1	✓	Expense, sent for July	1	83 33			83 33			
		✓	Petty Cash advanced	2	10 —						
	9	1	C. A. Klein & Co. Inv. No. 1	3	68 04	68 04					
		2	B. F. Gossett & Co. " " 2	4	19 53	19 53					
		3	Trenton Lamp Co. " " 3	5	39 10	39 10					
		4	Phila. Co. " " 4	6	132 93	135 64	2 71				
	10	✓	Salaries, to date	7	27 —						27 —
	12	5	Ills. F. Co. Inv. No. 5	8	69 50	69 50					
	13	4	Phila. Co. " " 6	9	191 98	195 90	3 92				
	14	6	N. C. Morris " " 7	10	140 77	143 64	2 87				
	17	✓	Salaries, to date	11	18 —						18 —
	21	6	N. C. Morris Inv. No. 10	12	154 50	157 65	3 15				
	24	✓	Salaries, to date	13	18 —						18 —
	31	✓	" " "	14	18 —						18 —
		✓	Expense, stationery	15	14 35			14 35			
		✓	Freight for month	16	9 35					9 35	
		✓	Advertising Record Pub. Co.	17	19 50				19 50		
		✓	Petty Cash paid out					2 10		1 45	
		✓	[illegible]								
		✓			341 80	839 —	12 65	99 78	19 50	10 80	81 —
		2	Purchases Ledger Dr. Rec.		839 —						
		8	Discounts, Co.		12 65						
		9	Expense, Dr.		99 78						
		10	Advertising, "		19 50						
		11	Freight, "		10 80						
		12	Salaries, "		81 —						

FIG. 8 (*b*)

footings of the Furniture, Stoves, Carpets, and Lamps columns are posted to the credit of those accounts in the General Ledger.

On the credit side of the Cash Book, Fig. 8 (*b*), the column headed Purchases shows the items and the total amount debited to the parties bought of. The column headed Discounts shows the items and the total amount of cash discount. It will be seen that these discount items are not included in the amount of cash paid out. When a bill is paid and the amount of the discount taken off, the party must be debited not only for the amount of the cash paid him but for the discount as well, as shown in the entries for the accounts of the Philadelphia Carpet Co. and H. C. Morris. Unless this is done, an account will not balance. The footing of the Discounts column must be posted to the credit side of the Discount account. The footings of the other special columns on the credit side of the book are posted to the debit of their respective accounts in the General Ledger.

PETTY CASH BOOK

11. The Cash Book shows the amounts received on account from customers and from cash sales. The sum shown by the latter column must agree with the amount shown by the clerks' sales slips, and the sum of the two columns should agree with the amount deposited, as shown by the deposit column of the Check-Register; therefore, in order to show the exact disposition of every cent, money should not be taken from the cashier for use in the petty cash drawer, but withdrawn from the bank by check.

A small book, called a **Petty Cash Book,** is usually kept for the item of cash paid out daily for sundry expenses. All money put into the cash drawer for this purpose should be charged to Petty Cash, and when paid out must first be entered in the book with a full explanation, and at the end of the month summed up under proper heads and entered in the Cash Book, from which the items are posted to the proper accounts. As it is in the petty cash transactions that leaks

1

JUL 1 190

On Hand. 10 —

JUL 3 190

RECEIVED FROM JAMES L. WALTERS

80¢ for Express on box from Trenton Lamp Co. — 80

E. J. Wood Am. Exp.

JUL 7 190

RECEIVED FROM JAMES L. WALTERS

$1.25 for a sign. — 125

Ed. Walters.

JUL 12 190

RECEIVED FROM JAMES L. WALTERS

65¢ for Express on pkg. from Phila. Carpet Co. — 65

E. J. Wood, Am. Exp.

JUL 20 190

RECEIVED FROM JAMES L. WALTERS

25¢ for Telegram to Phila. Carpet Co. — 25

Jno. Cook, W. U. Mess.

JUL 28 190

RECEIVED FROM JAMES L. WALTERS

60¢ for small job of painting. — 60

Ed. Walters.

July 31 Balance. — 6 45

10 —

FIG. 9

most frequently occur, it is a good plan to use a stamp, as shown in Fig. 9, and thus get a receipt for all money paid out for such transactions.

CHECK-REGISTER

12. A **Check-Register** is a book used instead of a Check-Book or Banking Ledger to keep the account with

1

Check Register

Date	In favor of	In payment of	Check No.	Amount of Check	Date Ret'd	Deposits Date	Deposits Amount	Balance
July 1	Investment					1	3000—	
	C. L. Moss, rent		1	83.33				
	Petty Cash Drawer,		2	10—				
	Deposited currency,					5	28.85	2935.52
9	C. A. Stein & Bro.,	Inv. No. 1,	3	68.04				
	B. F. Gassett & Co.,	" " 2,	4	19.53				
	Trenton Lamp Co.,	" " 3,	5	39.10				
	Phila. Co.,	" " 4,	6	132.93				
10	Payroll,		7	27—				
	Deposited currency					10	97.75	2746.67
12	Ill. Co.	Inv. No. 5	8	69.50				
13	Phila. Co.,	" " 6,	9	191.98				
14	N. C. Morris,	" " 7,	10	142.77				
17	Payroll,		11	18—				
21	N. C. Morris	Inv. No. 8	12	154.50				
24	Payroll,		13	18—				
	Deposited currency					24	37.65	
	" checks,						139.10	2330.07
31	Payroll,		14	18—				
	Smith & Co.	Stationery,	15	14.35				
	F. T. Jones	Agt. Freight,	16	9.25				
	Record Pub. Co.	Adv.,	17	19.50				
	Deposited currency					31	33.25	
	" checks,						75.80	2437.92
31	Balance			923.88				
				3411.80			3411.80	

FIG. 10

the bank. Like a Banking Ledger, it shows the deposits and withdrawals in an itemized manner, but, being separate

from the checks, the information it contains need not be divulged to the clerk drawing the checks or to any one else unless it is desired to do so. The manner of making the entries will be fully understood by a reference to the Check-Register shown in Fig. 10.

INVOICE REGISTER

13. The handling of unpaid bills so that a person may know at any time who and how much he owes and when they should be paid, is one of the bugbears of the office man. By the use of an **Invoice Register**, as illustrated in Fig. 11, this and much more can be shown, no matter how long the invoices have to run before maturity. It is usually indexed by months, so that the work in it can commence at any time and every invoice be recorded readily under the proper date.

Each invoice should be given a number and this number written on the price tag of the goods, so that if required, the invoice that accompanied them can be found quickly. The invoice number on the price tag will show on what invoice the goods were billed; and, if the same has been paid, it will be found filed with the check that paid it. If not paid, it will be found in the holder for unpaid bills.

If accounts are kept with the people bought from, as in this Model Set, their credits are posted from the Amount column of this Register to their respective Ledger accounts in the Purchase Ledger. The footing of this column is posted to the credit of the Purchase Ledger account in the General Ledger. If this is done, columns should be added to the Register, as shown in Fig. 11, so that the bills may be distributed properly to the different departments. At the end of each month the footings of these columns are posted to the debit of these department accounts in the General Ledger. If accounts are not kept with the people bought from, then the proper accounts can be debited when the bills are paid by giving each department a column in the Cash Book.

INVOICE REGISTER

INV. No.	LEDGER FOLIO	FIRM NAME	No. AND STREET	PLACE	DATE 190	TIME	WHEN DUE 190	AMOUNT	FURNITURE	CARPETS	STOVES	LAMPS	PER CENT.	CASH DISCOUNT	NET AMOUNT	WHEN PAID 190	CK. No.
1	1	C. A. Klein,	214 Market	Phila.	July 1	30	July 31	68 04		68 04					68 04	July 9	3
2	2	B. F. Gassett & Co.,	97 Chambers	N. Y.	" 1	30	" 31	19 53				19 53			19 53	" 9	4
3	3	Trenton Lamp Co.,	210 E. State	Trenton,	" 1	30	" 31	39 10				39 10			39 10	" 9	5
4	4	Phila. Carpet Co.,	57 Cusinuck	Phila.	" 1	30	" 31	135 64		135 64			2	2 71	132 93	" 9	6
5	5	Ills. Furn. Co.,	12 Racer	Chicago	" 3	30	Aug 2	69 50	69 50						69 50	" 12	8
6	4	Phila. Carpet Co.,		Phila.	" 5	30	" 4	195 90		195 90			2	3 92	191 98	" 13	9
7	6	N. C. Morris,		Grand Rapids	" 6	30	" 5	143 64	143 64				2	2 87	140 77	" 14	10
8	5	Ills. Furn. Co.,		Chicago	" 7	30	" 6	53 70	53 70								
9	2	B. F. Gassett & Co.,		N. Y.	" 7	30	" 6	5 88				5 88					
10	6	N. C. Morris,		Gd. Rapids, Mich.	" 9	30	" 8	157 65	157 65				2	3 15	154 50	" 21	12
11	5	Ills. Furn. Co.,		Chicago	" 9	30	" 8	62 —	62 —								
12	7	Sterling Stove Co.,	19 Barclay	N. Y.	" 9	30	" 8	132 60			132 60						
13	1	C. A. Klein,		Phila.	" 10	30	" 9	22 16		22 16							
14	6	N. C. Morris,		Gd. Rapids, Mich.	" 14	30	" 13	53 25	53 25								
15	5	Ills. Furn. Co.,		Chicago	" 17	30	" 16	52 60	52 60								
	2	Deschasseaux Ledger,		Tock,				1211 19	592 34	421 74	132 60	64 51					
	4	Furniture,						592 34									
	5	Carpets,						421 74									
	6	Stoves,						132 60									
	7	Lamps,						64 51									
								1211 19									

Fig. 11

4

July 22, 190

LF	Sundries			Forward		LF	Furniture	Carpets	Stoves	Lamps
	486 30						216 70	140 10	98 —	31 50
1	22 50	Geo. Jones,								
			1 157 Tap. Divan,		13.50					
			1 83 8 ft. D. Table,		9.—		22 50			
				23						
5	23 80	Edw. Ware,								
			1 15 Elec. Oil Heater,		13.—				13 —	
			Fiber,	90 yds., .07,	6.30			6 30		
			3 516 Cane Chairs,	1.50,	4.50		4 50			
				26						
3	12 —	N. T. Snow,								
			1 112 Plush Divan,		12.—		12 —			
4	544 60	Furniture,					255 70	146 40	111 —	31 50
5		Carpets,					146 40			
6		Stoves,					111 —			
7		Lamps,					31 50			
3	544 60	Customers' Ledger Acct.,					544 60			

Fig 12

SALES BOOK

14. By the use of a **Sales Book,** as shown in Fig. 12, sales on account from each department are kept separate so that the total sales so made may be posted daily, weekly, or monthly, as desired, thus saving the labor of posting each item separately.

The use of this book requires but little explanation. At the left are the date, folio, and debit-item columns; at the right, the folio and credit columns for the various departments.

The sum of the footings of the credit columns should equal the footings of the debit column, and the credit footings of the department columns are brought into one column for posting.

The items in the left-hand Sundries column must be posted to the debit side of the personal accounts in the Customers' Ledger, and the total of this column to the debit of the Customers' Ledger account in the General Ledger. The footings of the department columns must be posted to the credit side of these accounts in the General Ledger.

LEDGERS

15. Advantages of Dividing the Ledger.—By dividing the Ledger into three parts, as shown in the Model Set, each section may be treated independently, and a statement of any division can be made without handling the pages devoted to another. This will not only be an advantage in doing Ledger work, but will minimize the chances of error, and if one is made, it can be located quickly in one of the sections, which may be checked without reviewing the work in the others. This method of dividing the work of the Ledger does not make it necessary to change in any way the arrangements or plans of handling the other books used.

16. The **Purchase Ledger** contains only accounts with those bought from. As these parties are the creditors, the balance of this Ledger must show just the amount that is

owing and must always be on the credit side. This amount must agree with the amount of the unpaid invoices as shown by the Invoice Register. The balance is increased by the postings from the Invoice Register and decreased by the postings from the Purchases and Discounts columns on the credit side of the Cash Book. For example, suppose that, as in the Model Set of books, at the beginning of a business period there were no balance due parties bought of; that the credits posted to this Ledger, as shown by the Invoice Register, were $1,211.19; and that the debit items, or payments to these parties, as shown by the Purchases and Discounts columns of the Cash Book, were $829. The balance due, as would be shown by a statement of the face of the Ledger, would be $382.19, which should agree with the amount of the unpaid bills as shown by the Invoice Register. If this is the case, the Ledger is correct.

17. The **Customers' Ledger** contains only accounts with customers, and for this reason it will never be in balance. A statement of its face, or a trial balance, as it may be called, will always show that the debit side is much larger than the credit, the amount so shown being the amount due from customers. This amount is increased by the postings from the Sales Book and decreased by the postings from the Customers column on the debit side of the Cash Book. This being the case, we can always tell what the balance of this Ledger should show; if it does not show this balance, there is an error somewhere. For example, if, as in the Model Set of books, at the beginning of a business period, there were no balance due from customers and the sales for the period were $544.60 and the amount received from customers $214.90, the balance due as shown by a statement of the face of the Ledger would be $329.70.

Sometimes small bills of goods are sold on credit to customers who generally buy for cash. To save space, a separate card is not used for each, but several accounts separate on a card like that shown in Fig. 13, under a general

DATE		ITEM	FOLIO	DEBITS					✓	CREDITS				

FIG. 13

heading called Petty Accounts. These accounts are indexed separately, giving as their location the page of Petty Accounts. The balance of this account is taken into the Trial Balance instead of the balance of each individual account.

18. The **General Ledger** contains the proprietor's account, the general accounts like Merchandise, Expense, etc. and may, if desired, have an account with each of the other Ledgers, as shown in the Model Set.

After statements of the other Ledgers are made and proved correct, a Trial Balance of the General Ledger should be taken. If it is not found to be correct, the work must be reviewed until the error is located. The error will most likely be found to be a transposition of figures, the posting of dollars as cents, or some such error caused by haste or interruption.

MODEL SET

19. Department-Store Accounts.—In order to show more clearly how the accounts of a department store are handled, the following transactions are used to write up a Model Set of books of the forms explained in the preceding pages.

TRANSACTIONS

SCRANTON, PA., JULY 1, 190

I, James L. Walters, begin business this day at 812 Lackawanna Ave., as a retail dealer in furniture, carpets, stoves, and lamps, with a cash investment of $3000.

The store at the above place has been rented from C. L. Moss for one year at $1000, rent payable monthly in advance.

Journal entry.
Cash Book.
Check-Register.

—1—

Paid C. L. Moss one month's rent in advance, $83.33.

Cash Book. Charge to Expense.
Check-Register.

—1—

Drew from the bank and placed in the petty cash drawer $10.00.

Check-Register.
Cash Book.
Petty Cash Book.

—1—

Received the following invoices for goods purchased Goods received and found to be O. K.

C. A. Klein, 214 Market St., Philadelphia, Pa.,

120 Extra Super Carpet, 126 yds.,	54	68.04	

Terms: 30 days.

Invoice Register. Invoice No. 1.

B. F. Gassett & Co., 77 Chambers St., New York,

1	312	Ruby Hall Lamp,	2.80	
1	380	Canary Hall Lamp,	2.00	
1	379	Minerva Hall Lamp,	1.12	
1	272	Pearl Opal Shade,	1.40	
1	381	Gilt Piano Lamp,	4.44	
1	382	" " "	7.77	19.53

Terms: 30 days.

Invoice Register. Invoice No. 2.

Trenton Lamp Co., 219 E. State St., Trenton, N. J.,

1	914	Yellow Shade, white lace,	1.40	
1	929	Lilac " " "	1.40	
1	929	Deep Green Shade,	1.90	
1	928	Nile " "	3.00	
1	927	Red Shade, black lace,	1.90	
1	905	Pink " white "	3.50	
1	913	Yellow " yellow "	5.50	
1	912	Red " red "	5.50	
1	930	Orange " black "	7.50	
1	906	Nile Green Shade	7.50	39.10

Terms: 30 days.

Invoice Register. Invoice No. 3.

Philadelphia Carpet Co., 87 Chestnut St., Philadelphia, Pa.,

1	211	Moquette Rug,				2.00	
1	214	" "				3.00	
1 pc.	438	Stair Carpet,	46	yds.,			
1 pc.	372	" "	$44\frac{3}{4}$	"			
1 pc.	581	" "	$50\frac{1}{2}$	"			
			$141\frac{1}{4}$	"	.65	91.81	
1 pc.	618	Tapestry Carpet,	$45\frac{1}{2}$	"			
1 pc.	681	" "	$52\frac{1}{2}$	"			
			98	"	.55	53.90	150.71
				Less 10%,			15.07
							135.64

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 4.

—2—

Sold for cash,

1	211	Moquette Rug,		3.00	
	438	Stair Carpet, 16 yds.,	.80	12.80	15.80

Cash Book.

—3—

Sold for cash,

1	381	Gilt Piano Lamp,	6.50	
1	914	Lace Shade,	1.75	8.25

Cash Book.

—3—

Sold to Geo. Jones, 819 Olive St., on account,

1	928	Lamp Shade,		4.50	
	681	Tapestry Carpet, $22\frac{1}{2}$ yds.,	.70	15.75	
1	382	Gilt Piano Lamp,		12.50	32.75

Sales Book.

—3—

Paid expressage on box from Trenton Lamp Co., $.80.

Petty Cash Book.

—— 3 ——

Sold to W. H. Barnes, 18 Washington Ave., on account,

1	312	Ruby Hall Lamp,	4.25	
1	929	Lamp Shade,	1.75	6.00

Sales Book.

—— 3 ——

Bought from Illinois Furniture Co., 12 Race St., Chicago, Ill.,

1	54	Sideboard,	15.00	
1 doz.	307	Chairs, elm,	10.00	
1 "	318	" oak,	16.00	
1 "	387	" elm,	6.50	
1 "	289	" " arms,	22.00	69.50

Terms: 30 days.

Invoice Register. Invoice No. 5.

—— 5 ——

Sold for cash,

4	307	Chairs,	4.80

Cash Book.

—— 5 ——

Bought from Philadelphia Carpet Co., on account,

1 pc.	60	Ingrain Carpet,	130 yds.,			
1 pc.	112	" "	135 "			
1 pc.	210	" "	132 "			
1 pc.	315	" "	131 "			
			528 "	.30	158.40	
1	317	Wilton Rug,			22.50	
1	531	" "			15.00	195.90

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 6.

—— 5 ——

Deposit cash on hand.

Check-Register.

—— 6 ——

Bought from H. C. Morris, Grand Rapids, Mich., on account,

1	564	Chamber Suit,	45.00	
1	559	" "	33.00	
1	533¾	" "	26.00	
1	558½	" "	37.00	
		Burlap, 44 yds., .06	2.64	143.64

Terms: Less 2% for cash in 10 days.

Invoice Register. Invoice No. 7.

—— 6 ——

Sold for cash,

	120	Ex. Super Carpet, 37 yds.,	.75	27.75	
2	289	Chairs,	2.50	5.00	32.75

Cash Book.

—— 7 ——

Sold for cash,

1	533¾	Chamber Suit,	36.00

Cash Book.

—— 7 ——

Sold to H. T. Snow, 112 Monroe Ave., on account,

1	54	Sideboard,	20.00	
1	930	Lamp Shade,	8.50	28.50

Sales Book.

—— 7 ——

Paid to Ed. Wales, for a sign, $1.25.

Petty Cash Book.

—— 7 ——

Bought from Illinois Furniture Co., on account,

4	83	6-ft. D. Tables,	4.50	18.00	
2	83	8-ft. " "	6.00	12.00	
2	79	8-ft. " "	6.75	13.50	
2	79	6-ft. " "	5.10	10.20	53.70

Terms: 30 days.

Invoice Register. Invoice No. 8.

—7—

Bought from B. F. Gassett & Co., on account,

$\frac{1}{6}$ doz.	117	Opal Dome Shades,	3.00	.50	
$\frac{1}{3}$ "	3611	Shades,	5.50	1.83	
$\frac{1}{2}$ "	3	Gallia Lamps,	7.64	3.82	6.15
		Less 10%,			.62
					5.53
		Box,			.35
					5.88

Terms: 30 days.

Invoice Register. Invoice No. 9.

—8—

Sold to C. E. Howe, 812 Madison Ave., on account,

120	Ex. Super Carpet,	47 yds.,	.75	35.25	
438	Stair Carpet,	30 "	.80	24.00	59.25

Sales Book.

—9—

Sold for cash,

	60	Ingrain Carpet, 42 yds.,	.50	21.00	
1	79	6-ft. D. Table,		8.00	29.00

Cash Book.

—9—

Sold to W. H. Barnes, on account,

	120	Ex. Super Carpet, 42 yds.,	.75	31.50	
1	214	Moquette Rug,		4.50	
	372	Stair Carpet, 18 "	.80	14.40	50.40

Sales Book.

—9—

Paid the following Invoices:

C. A. Klein, Invoice No. 1,	68.04
B. F. Gassett & Co., Invoice No. 2,	19.53
Trenton Lamp Co., Invoice No. 3,	39.10
Philadelphia Carpet Co., Invoice No. 4, $135.64, less 2% cash discount, $2.71,	132.93

Cash Book.

Check-Register.

Invoice Register.

—— 9 ——

Bought from H. C. Morris, on account,

1	doz.	878	Tables, XVI Cent.,	55.00		
1	"	869	" Ant.,	95.00		
$\frac{1}{12}$	"	869	" XVI Cent.,	1.95		
$\frac{1}{12}$	"	890	" Imt. Mah.,	2.10		
$\frac{1}{12}$	"	860	" " "	3.60	157.65	

Less 2% for cash in 10 days.

Invoice Register. Invoice No. 10.

—— 9 ——

Bought from Illinois Furniture Co., on account,

1	$202\frac{1}{2}$	Ant. 3-pc. Suit,		17.00	
1	214	XVI Cent. 3-pc. Suit,		19.00	
1	215	Ant. 3-pc. Suit,		19.50	
1	216	Ant. 3-pc. Suit,		20.00	
		Burlap, 40 yds.,	.05	2.00	
				77.50	
		Less 20%,		15.50	62.00

Terms: 30 days.

Invoice Register. Invoice No. 11.

—— 9 ——

Bought from Sterling Stove Co., 19 Barclay St., New York, on account,

1	W. B. 81	Stove,	31.00	
1	" 82	"	34.00	
1	C. E. 71	Range,	45.00	
1	" 72	"	48.00	
			158.00	
		Less 30%,	47.40	110.60
1	25	Elec. Oil Heater,	13.00	
1	15	" " "	9.00	22.00
				132.60

Terms: 30 days.

Invoice Register. Invoice No. 12.

—— 10 ——

Paid clerks' salaries, July 1 to 10, inclusive, $27.00.

Cash Book.

Check-Register.

—— 10 ——

Bought from C. A. Klein, on account,

2 rolls Fiber, 44 in., 554 yds.,	.05		27.70	
Less 20%,			5.54	22.16

Terms: 30 days.

Invoice Register. Invoice No. 13.

—— 10 ——

Deposit all cash on hand.

Check-Register.

—— 12 ——

Paid Illinois Furniture Co., for Invoice No. 5, $69.50.

Cash Book.

Check-Register.

Invoice Register.

—— 12 ——

Paid express on samples from Philadelphia Carpet Co., $.65.

Petty Cash Book.

—— 12 ——

Sold for cash,

	112	Ingrain Carpet, 11 yds.,	.50	5.50	
1	117	Opal Dome Shade,		.65	6.15

Cash Book.

—— 13 ——

Received from W. H. Barnes, cash for bill of 3d, $6.00.

Cash Book.

—— 13 ——

Paid Philadelphia Carpet Co., for Invoice No. 6, $195.90, less 2% cash discount, $3.92, $191.98.

Cash Book.

Check-Register.

Invoice Register.

—— 14 ——

Paid H. C. Morris, for Invoice No. 7, $143.64, less 2% for cash, $2.87, $140.77.

Cash Book.
Check-Register.
Invoice Register.

—— 14 ——

Bought from H. C. Morris, on account,

1	125	Iron Bed,		5.75	
½ doz.	516	Cane Chairs,	13.00	6.50	
½ "	129	Cobblers,	36.00	18.00	
½ "	135	Uprights,	30.00	15.00	
½ "		Boston Rockers,	16.00	8.00	53.25

Terms: 30 days.

Invoice Register. Invoice No. 14.

—— 14 ——

Sold to W. H. Barnes, on account,

1	878	Table,	6.00	
1	83	8-ft. D. Table,	9.00	15.00

Sales Book.

—— 15 ——

Sold to C. E. Howe, on account,

1	558½	Chamber Suit,	48.00

Sales Book.

—— 15 ——

Sold to Edw. Ware, 1121 Pine St., on account,

1		Boston Rocker,		1.75	
1	860	Imt. Mah. Table,		5.00	
	618	Tapestry Carpet, 21 yds.,	.70	14.70	21.45

Sales Book.

—— 16 ——

Sold for cash,

1	3	Gallia Lamp,	.90

Cash Book.

—— 16 ——

Received cash from H. T. Snow, for bill of 7th, $28.50.

Cash Book.

—— 16 ——

Sold to Geo. Jones, on account,

1	C. E.	71	Range,	58.00	
1		202½	Ant. 3-pc. Suit,	20.00	78.00

Sales Book.

—— 17 ——

Paid clerks' salaries, 12th to 17th, inclusive, $18.00.

Cash Book.

Check-Register.

—— 17 ——

Bought from Illinois Furniture Co., on account,

1	112	Plush Divan,	10.00	
1	157	Tap. "	11.50	
1	157	Moq. "	11.50	
1	121	Silk "	7.50	
1	143	" "	9.50	
1	46	Wardrobe,	9.00	
1	33	"	6.75	65.75
		Less 20%,		13.15
				52.60

Terms: 30 days.

Invoice Register. Invoice No. 15.

—— 17 ——

Sold to H. T. Snow, on account,

1	W. B. 81	Stove,	40.00

Sales Book.

—— 19 ——

Sold for cash,

1	531	Wilton Rug,	20.00

Cash Book.

—— 19 ——

Received cash from W. H. Barnes, for bill of 9th, $50.40.

Cash Book.

—— 20 ——

Received cash from Edw. Ware, for bill of 15th, $21.45.

Cash Book.

—— 20 ——

Paid for telegram to Philadelphia Carpet Co., $.25.

Petty Cash Book.

—— 20 ——

Sold to W. H. Barnes, on account,

1	564	Chamber Suit,		60.00	
1		Boston Rocker,		1.75	
3	516	Cane Chairs,	1.50	4.50	66.25

Sales Book.

—— 21 ——

Paid H. C. Morris, for Invoice No. 10, $157.65, less 2% cash discount, $3.15, $154.50.

Cash Book.

Check-Register.

Invoice Register.

—— 21 ——

Sold to C. E. Howe, on account,

6	135	Uprights,	3.20	19.20	
1	33	Wardrobe, oak,		7.50	
1	869	XVI Cent. Table,		3.00	
1	79	8-ft. D. "		11.00	40.70

Sales Book.

—— 22 ——

Sold for cash,

1	46	Wardrobe,	10.00

Cash Book.

—— 22 ——

Sold to George Jones, on account,

1	157	Tapestry Divan,	13.50	
1	83	8-ft. D. Table,	9.00	22.50

Sales Book.

—— 23 ——

Sold to Edw. Ware, on account,

1	15	Electric Oil Heater,		13.00	
		Fiber, 90 yds.,	.07	6.30	
3	516	Cane Chairs,	1.50	4.50	23.80

Sales Book.

—— 24 ——

Received cash from George Jones, for bill of 3d, $32.75.
Cash Book.

—— 24 ——

Paid clerks' salaries, 19th to 24th, inclusive, $18.00.
Cash Book.
Check-Register.

—— 24 ——

Deposit all cash and checks on hand.
Check-Register.

—— 26 ——

Sold to H. T. Snow, on account,

1	112	Plush Divan,	12.00

Sales Book.

—— 27 ——

Sold for cash,

1	216	Ant. 3-pc. Suit,	24.00

Cash Book.

—— 28 ——

Sold for cash,

1	125	Iron Bed,	9.25

Cash Book.

—— 28 ——

Paid small job of painting, $.60.
Petty Cash Book.

—— 29 ——

Received cash from Edw. Ware, for bill of 23d, $23.80.
Cash Book.

—— 30 ——

Received cash from H. T. Snow, for bills of 17th and 26th, $52.00.
Cash Book.

—— 31 ——

Paid clerks' salaries to date, $18.00.

Paid for stationery, H. W. Smith Printing Co., $14.35.

Paid freight for the month, F. T. Jones, Agt., $9.35.

Paid Record Publishing Co., advertising for month, $19.50.

Cash Book.

Check-Register.

—— 31 ——

Deposit all cash and checks on hand except currency in petty cash drawer.

Check-Register.

Enter Petty Cash Book totals in Cash Book; express items in Freight column, the others under Expense.

—— 31 ——

Post the books, first from the Invoice Register to the Purchase Ledger and General Ledger; then from the Sales Book to the Customers' Ledger and General Ledger; Cash Book, receipts to the Customers' Ledger and General Ledger, payments to the Purchase Ledger and General Ledger; Journal. Some accounts in the Customers' Ledger or Purchase Ledger may balance, but they should not be ruled until a Trial Balance has been taken.

Make Statements of Purchase and Customers' Ledgers.

Take a Trial Balance of the General Ledger.

Make entries in Journal to adjust rent, advertising, freight, and salaries between the departments and post them to the General Ledger.

Rent: divided among departments in proportion to space occupied. Furniture, $\frac{1}{2}$; Carpets, $\frac{1}{4}$; Stoves, $\frac{1}{8}$; Lamps, $\frac{1}{8}$.

Advertising: divided among departments in proportion to space used. Furniture, $\frac{1}{2}$; Carpets, $\frac{1}{4}$; Stoves, $\frac{1}{8}$; Lamps, $\frac{1}{8}$.

Freight: charged to departments at actual cost to each. Furniture, $5.55; Carpets, $1.60; Stoves, $2.85; Lamps, $.80.

Salaries: divided among departments in proportion to sales from each.

Make Statements of Resources and Liabilities, Losses and Gains, and Proprietor's account.

Enter Inventories on Ledger accounts and close books.

INVENTORIES

Carpet

Pattern No.	Article	Yds.	Cost	Amount	Total
372	Stair,	$26\frac{3}{4}$	.65	17.39	
581	"	$50\frac{1}{2}$	.65	32.83	
618	Tapestry,	$24\frac{1}{2}$	.55	13.48	
681	"	30	.55	16.50	
				80.20	
	Less 10%,			8.02	
				72.18	
60	Ingrain,	88	.30	26.40	
112	"	124	.30	37.20	
210	"	132	.30	39.60	
315	"	131	.30	39.30	
317	Wilton Rug,			22.50	
	Fiber,	464	.05	23.20	260.38

Lamps and Fixtures

Pattern No.	Article	Quantity	Cost	Amount	Total
3	Lamps, Gallia,	5	.64	3.20	
3611	Shades,	4	.46	1.84	
117	" Opal Dome,	1		.25	
				5.29	
	Less 10%,			.53	
				4.76	
380	Lamp, Canary Hall,	1		2.00	
379	" Minerva "	1		1.12	
272	Shade, Pearl Opal,	1		1.40	
929	" Deep Green,	1		1.90	
927	" Red, black lace,	1		1.90	
905	" Pink, white "	1		3.50	
913	" Yellow, yellow lace,	1		5.50	
912	" Red, red lace	1		5.50	
960	" Nile Green,	1		7.50	35.08

Furniture

Pattern No.	Article	Quantity	Cost	Amount	Total
157	Moquette Divan,	1		11.50	
121	Silk "	1		7.50	
143	" "	1		9.50	
				28.50	
	Less 20%,			5.70	
				22.80	
129	Cobblers,	6	3.00	18.00	
	Boston Rockers,	4	1.34	5.36	
214	XVI Cent., 3-pc. Suit,	1		19.00	
215	Ant., 3-pc. Suit,	1		19.50	
878	Tables, XVI Cent.,	11	4.59	50.49	
869	" Ant.,	12		95.00	
890	" Imt. Mah.,	1		2.10	
83	" 6-ft. Dining,	4	4.50	18.00	
79	" 8-ft. "	1		6.75	
79	" 6-ft. "	1		5.10	
559	Chamber Suit,	1		33.00	
307	Chairs,	8		6.66	
318	" oak,	12		16.00	
387	" elm,	12		6.50	
289	" " arms,	10		18.33	
	Burlap,	84 yds.		4.64	347.23

Stoves

Pattern No.	Article	Quantity	Amount	Total
W. B. 82	Stove,	1	34.00	
C. E. 72	Range,	1	48.00	
25	Electric Oil Heater,	1	13.00	95.00

2

Cash Book.

19— Date		LF		Sundries	Customers	Cash Sales	Furniture	Stoves	Carpets	Lamps
July	1	J	Jas. L. Walters, simo.	3000—						
	2	✓	Cash sales,	1580		1580			1580	
	3	✓	" "	825		825				825
	5	✓	" "	480		480	480			
	6	✓	" "	3275		3275	5—		2775	
	7	✓	" "	36—		36—	36—			
	9	✓	" "	29—		29—	8—		21—	
	12	✓	" "	615		615			550	65
	13	2	W. H. Barnes, bill 3d	6—	6—					
	16	✓	Cash sales,	90		90				90
		3	A. T. Snow, bill 4th,	2850	2850					
	19	✓	Cash sales,	20—		20—			20—	
		2	W. H. Barnes, bill 5th,	5040	5040					
	20	5	Edw. Ware, bill 6th,	2145	2145					
	22	✓	Cash sales,	10—		10—	10—			
	24	1	Geo. Jones, bill 7th,	3275	3275					
	27	✓	Cash sales,	24—		24—	24—			
	28	✓	" "	925		925	925			
	29	5	Edw. Ware, bill 23d,	2380	2380					
	30	3	A. T. Snow, " 17 & 24th,	52—	52—					
		✓		34180	21490	19690	9705		9005	980
	31	3	Customers' Ledger, folio 2	14490						
		4	Furniture,	9705						
		5	Carpets,	9005						
		7	Lamps,	980						

2

Cash Book.

19.. Date		LF		Ck.#	Sundries	Purchases	Discounts	Expense	Advertising	Freight	Salaries
July	1	✓	Expense, sent for July	1	83.33			83.33			
		✓	Petty Cash advanced	2	10—						
	9	1	C. A. Klein Inv. No. 1	3	68.04	68.04					
		2	B. F. Gassett & Co. " " 2	4	19.53	19.53					
		3	Trenton Lamp Co. " " 3	5	39.10	39.10					
		4	Phila. Co. " " 4	6	132.93	135.64	2.71				
	10	✓	Salaries, to date	7	27—						27—
	12	5	Ill. F. Co. Inv. No. 5	8	69.50	69.50					
	13	4	Phila. Co. " " 6	9	191.96	195.90	3.92				
	14	6	H. C. Morris " " 7	10	140.77	143.64	2.87				
	17	✓	Salaries, to date	11	18—						18—
	21	6	H. C. Morris Inv. No. 10	12	154.50	157.65	3.15				
	24	✓	Salaries, to date	13	18—						18—
	31	✓	" " "	14	18—						18—
		✓	Expense, stationery	15	14.35			14.35			
		✓	Freight, for month	16	9.35					9.35	
		✓	Advertising, Record Tab.	17	19.50				19.50		
		✓	Petty Cash, paid out					2.10		1.45	
		✓	Balance								
		✓			341.80	829—	12.65	99.78	19.50	10.80	81—
		2	Purchase Ledger Dr.		829—						
		8	Discounts "		12.65						
		9	Expense "		99.78						
		10	Advertising "		19.50						
		11	Freight "		10.80						
		12	Salaries "		81—						

PETTY CASH BOOK

1

JUL 1 190

On Hand 10.—

JUL 3 190

RECEIVED FROM JAMES L. WALTERS

80¢ for Express on box from Trenton Lamp Co. — 80

E. J. Wood Am Exp.

JUL 7 190

RECEIVED FROM JAMES L. WALTERS

$1.25 for a sign — 1.25

Ed. Wales.

JUL 12 190

RECEIVED FROM JAMES L. WALTERS

65¢ for Express on pkg. from Phila Carpet Co. — 65

E. J. Wood, Am Exp.

JUL 20 190

RECEIVED FROM JAMES L. WALTERS

25¢ for Telegram to Phila Carpet Co. — 25

Jno. Cook, W.U. Mess.

JUL 28 190

RECEIVED FROM JAMES L. WALTERS

60¢ for small job of painting. — 60

Ed. Wales.

July 31 Balance — 6.45

10.—

1

Scranton, Pa., July 1, 190

1 Cash,	S. James L. Walters, begin	3000 —		
1 Jas L. Walters,	business this day as a		3000 —	
	retail dealer in furniture,			
	carpets, stoves and lamps,			
	at 812 Lackawanna Ave., in			
	a store rented from C. L.			
	Moss, at $1000.00 per year,			
	rent payable monthly in			
	advance.			
	My net investment			
	is $3000.00			
31				
4 Furniture,	Entry to divide the rent	41 66		
5 Carpets,	expense among the depart-	20 83		
6 Stoves,	ments in proportion to	10 42		
7 Lamps,	the space occupied. Fur-	10 42		
9 Expense,	niture 1/2; Carpets 1/4; Stoves 1/6;		83 33	
	Lamps, 1/6.			
31				
4 Furniture,	Entry to divide the cost	38 47		
5 Carpets,	for salaries among the	25 92		
6 Stoves,	departments, practically	12 15		
7 Lamps,	in proportion to the sales	4 46		
12 Salaries,	from each. Furniture, 47 7/13%;		81 —	
	Carpets, 32%; Stoves, 15%;			
	Lamps, 5 5/13%.			
31				
4 Furniture,	Entry to charge off	5 55		
5 Carpets,	freight at actual cost	1 60		
6 Stoves,	to each department.	2 85		
7 Lamps,		80		
11 Freight,			10 80	
31				
4 Furniture,	Entry to divide the ad-	9 75		
5 Carpets,	vertising expense among	4 88		
6 Stoves,	the departments in pro-	2 44		
7 Lamps,	portion to the space	2 43		
10 Advertising,	used for each.		19 50	

1

Check Register

Date	In favor of	In payment of	Check No.	Amount of Check	Date Ret'd	Deposits Date	Deposits Amount	Balance
July 1	Investment,					1	3000 —	
	C. L. Mossy, rent,		1	83 33				
	Petty Cash Drawer,		2	10 —				
	Deposited currency,					5	28 85	2935 52
9	C. A. Klein & Co., Inv. No. 1,		3	68 04				
	B. F. Gassett & Co., " " 2,		4	19 53				
	Trenton Lumber Co., " " 3,		5	39 10				
	Phila. Co., " " 4,		6	132 93				
10	Payroll,		7	27 —				
	Deposited currency,					10	99 75	2740 67
12	Ill. Co., Inv. No. 5,		8	69 53				
13	Phila. Co., " " 6,		9	19 98				
14	K. C. Morris, " " 7,		10	142 77				
17	Payroll,		11	18 —				
21	K. C. Morris, Inv. No. 10,		12	156 50				
24	Payroll,		13	18 —				
	Deposited currency,					24	37 05	
	" checks,						139 10	2330 07
31	Payroll,		14	18 —				
	Smith & Co., Stationery,		15	14 35				
	T. T. Jones, Freight,		16	9 35				
	Record Pub. Co., Adv.,		17	19 50				
	Deposited currency,					31	33 25	
	" checks,						75 80	2377 92
	Totals			3411 80			3411 80	

INVOICE REGISTER

INV. No.	LEDGER FOLIO	FIRM NAME	No. AND STREET	PLACE	DATE 190	TIME	WHEN DUE 190	AMOUNT	FURNITURE	CARPETS	STOVES	LAMPS	PER CENT.	CASH DISCOUNT	NET AMOUNT	WHEN PAID 190	C.K. No.
1	1	C. A. Klein,	214 Market	Phila.	July 1	30	July 31	68 04		68 04					68 04	July 9	3
2	2	R. P. Gassett & Co.,	Chambers	N. Y.	" 1	30	" 31	19 53				19 53		—	19 53	" 9	4
3	3	Trenton Lamp Co.,	20 State	Trenton,	" 1	30	" 31	39 10				39 10			39 10	" 9	5
4	4	Phila. Carpet Co.,	1 Chestnut	Phila.,	" 1	30	" 31	135 64		135 64			2	2 71	132 93	" 9	6
5	5	Ill. Furn. Co.,	10 Pace,	Chicago,	" 3	30	Aug. 2	69 50	69 50						69 50	" 12	8
6	4	Phila. Carpets,		Phila.,	" 5	30	" 4	195 90		195 90			2	3 92	191 98	" 13	9
7	6	H. P. Morris,		Grand Rapids,	" 6	30	" 5	143 64	143 64				2	2 87	140 77	" 14	10
8	5	Ill. Furn. Co.,		Chicago,	" 7	30	" 6	33 70	33 70								
9	2	R. P. Gassett & Co.,		N. Y.	" 7	30	" 6	5 85				5 85					
10	6	H. P. Morris,		G. R. Mich.,	" 9	30	" 8	157 65	157 65				2	3 15	154 50	" 21	12
11	5	Ill. Furn. Co.,		Chicago,	" 9	30	" 8	60 —	60 —								
12	7	Sterling Lamp Co.,	19 Barclay	N. Y.	" 9	30	" 8	132 60			132 60						
13	1	C. A. Klein,		Phila.,	" 10	30	" 9	22 16		22 16							
14	6	H. P. Morris,		G. R. Mich.,	" 14	30	" 13	53 25	53 25								
15	5	Ill. Furn. Co.,		Chicago,	" 17	30	" 16	52 60	52 60								
	2	Purchase Ledger,		Cash,				1211 19	592 34	421 74	132 60	64 21		12 65	1198 54		
	4	Furniture,						592 34									
	5	Carpets,						421 74									
	6	Stoves,						132 60									
	7	Lamps,						64 21									
								1211 19									

SALES BOOK

1

Scranton, Pa., July 3, 190

LF	Sundries			LF	Furniture	Carpets	Stoves	Lamps
			Forward					
1	32 75	Geo. Jones, 819 Olive St.						
		1 928 Lamp Shade,	4.50					4 50
		68 Tape, 22½ yds.,	.70, 15 75			15 75		
		1 382 Gilt Piano Lamp,	12.50					12 50
			3					
2	6 —	W. H. Barnes, 18 Washington Ave.						
		1 312 Ruby Hall Lamp,	4.25					
		1 929 Lamp Shade,	1.75					6 —
			7					
3	28 50	H. T. Snow, 112 Monroe Ave.,						
		1 54 Sideboard,	20.—		20 —			
		1 930 Lamp Shade,	8.50					8 50
			8					
4	59 25	C. E. Howes, 812 Madison Ave.,						
		120 Ex Super, 47 yds.,	.75, 35 25					
		438 Stair, 30 „	.80, 24 —			59 25		
	126 50				20 —	75 —		31 50

2

July 9, 190

LF	Sundries				LF	Furniture	Carpets	Stoves	Lamps
			Forward						
	126 50					20 —	75 —		31 50
2	50 40	W. H. Barnes,							
		120 Ex. Super,	42 yds,	75, 31 50					
		1 214 Moquette Rug,		4 50					
		372 Stair,	18 yds,	80, 14 40			50 40		
			14						
2	15 —	W. H. Barnes,							
		1 878 Table,		6 —					
		1 83 8 ft. D. Table,		9 —		15 —			
			15						
4	48 —	C. E. Howe,							
		1 558½ Chamber Suit,				48 —			
			15						
5	21 45	Edw. Ware, 1121 Pine St.,							
		1 Boston Rocker,		1 75					
		1 860 Ink. Mah. Table,		5 —		6 75			
		618 Tap.,	21 yds,	70, 14 70			14 70		
	261 35					89 75	140 10		31 50

3

July 16, 190

LF	Sundries			LF	Furniture	Carpets	Stoves	Lamps
		Forward						
	261.35				89.75	140.10		31.50
1	78.—	Geo. Jones,						
		1 C.E. 71 Range,	58.—				58.—	
		1 20½ Cnt. 3-pc. Suit,	20.—		20.—			
		17						
3	40.—	N. T. Snow,						
		1 W.B. 81 Stove,	40.—				40.—	
		20						
2	66.25	W. H. Barnes,						
		1 564 Chamber Suit,	60.—					
		1 Boston Rocker,	1.75					
		3 516 Cane Chairs, 1.50,	4.50		66.25			
		21						
4	40.70	C. E. Howe,						
		6 135 Uprights, 3.20,	19.20					
		1 33 Wardrobe, oak,	7.50					
		1 869 XVI Cent. Tables,	3.—					
		1 79 8 ft. D. "	11.—		40.70			
	486.30				216.70	140.10	98.—	31.50

4

July 22, 190

LF	Sundries				LF	Furniture	Carpets	Stoves	Lamps
			Forward			216 70	140 10	98 —	31 50
	486 30								
1	22 50	Geo. Jones,							
		1 157 Tap. Divan,		13.50					
		1 83 8 ft. D. Table,		9.—		22 50			
			23						
5	23 80	Edw. Ware,							
		1 15 Elec. Oil Heater,		13.—				13 —	
		Fiber,	goods, .07,	6.30			6 30		
		3 516 Cane Chairs,	1.50,	4.50		4 50			
			26						
3	12 —	N. T. Snow,							
		1 112 Plush Divan,		12—		12 —			
4	544 60	Furniture,				255 70	146 40	111 —	31 50
5		Carpets,				146 40			
6		Stoves,				111 —			
7		Lamps,				31 50			
3	544 60	Customers' Ledger Acct,				544 60			

GENERAL LEDGER

1

James L. Walters.

190								190								
[illegible]	[illegible]							July 1		J. 1	3000	—				
								31	L. & G.	13			69	57		
								Aug. 1	Bal. Worth		30	69	57			

2

Purchase Ledger.

190								190								
July 31		2	829	—				July 31		1	12	11	19			
								Aug. 1	Bal.			382	19			

3

Customers' Ledger.

190								190								
July 31		4	544	60				July 31		2	214	90				
Aug. 1	Bal.		329	70												

4

Furniture.

190								190								
July 31		1	592	34				July 31		4	255	70				
	J. 1		41	66						2	97	05				
			38	47												
				5	55											
				9	75											
Aug. 1	Inv.		347	23												

5

Carpets.

190						190					
July 31			1	421	74	July 31			4	146	40
		J	1	20	83				2	90	05
				25	92						
				1	60						
				4	85						
Aug. 1	Inv't.			260	38						

6

Stoves.

190						190					
July 31			1	132	60	July 31			4	111	—
		J	1	10	45						
				12	15						
				2	85						
				2	44						
Aug. 1	Inv't.			95	—						

7

Lamps.

190						190					
July 31			1	64	51	July 31			4	31	50
		J	1	10	42				2	9	80
				4	46						
					80						
				2	43						
Aug. 1	Inv't.			35	08						

8

Discounts.

190						190					
						July 31			2	12	65

9

Expense

190				190			
July 31		2	99 78	July 31		J 1	83 33

10

Advertising

190				190			
July 31		2	19 50	July 31		J 1	19 50

11

Freight

190				190			
July 31		2	10 50	July 31		J 1	10 50

12

Salaries

190				190			
July 31		2	81 —	July 31		J 1	81 —

13

Loss & Gain.

190						190					
July 31	Lamps,	7		6 24		July 31	Furniture,	4		12 21	
	Expenses,	9		16 45			Carpets,	5		21 86	
							Stoves,	6		45 54	
							Discounts,	8		12 65	

PURCHASE LEDGER

1

C. A. Klein, 214 Market St., Phila.

190									190	
July 9		2		68 04		68 04	1		1	July
						22 16			10	

2

B. F. Gasset & Co., 77 Chambers St. N.Y.

190									190	
July 9		2		19 53		19 53	1		1	July
						5 88			9	

3

Trenton Lamp Co., 219 E. State St., Trenton, N.J.

190									190	
July 9		2		39 10		39 10	1		1	July

4

Philadelphia Carpet Co., 87 Chestnut St., Phila.

190								190
July	9		2	135 64	135 64	1	1	July
	13			195 90	195 90		5	

5

Illinois Furniture Co., 12 Race St., Chicago

190								190
July	12		2	69 50	69 50	1	3	July
					53 70		7	
					62 —		9	
					52 60		17	

6

H. C. Morris, Grand Rapids, Mich.

190								190
July	14		2	143 64	143 64	1	6	July
	21			157 65	157 65		9	
					53 25		14	

7

Sterling Stove Co., 19 Barclay St., N.Y.

								190
					132 60	1	9	July

CUSTOMERS' LEDGER

Name Geo. Jones.

Address 819 Olive St.

Remarks

Terms O. L. F.

Card No. 1

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
July 3		1	32 75										
16		3	78 —										
22		4	22 50										
24		2			32 75	100 50							

Name W. H. Barnes.

Address 18 Washington Ave.

190

Remarks

Terms

O. L. F.

Card No. 2

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
July 3		1	6 —										
9		2	50 40										
14			15 —										
20		3	66 25										
13		2			6 —								
19					50 40	$1 25							

Name N. T. Snow

Address 112 Monroe Ave.

Remarks

Terms

O. L. F.

Card No. 3

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
July 7		1	28 50										
17		3	40 —										
26		4	12 —										
16		2			28 50								
30					52 —								

Name C. E. Howe

Address 812 Madison Ave

Remarks

Terms O. L. F.

Card No. 4

Rating

Limit

190

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
July 8		1	59 25										
15		2	48 —										
21		3	140 70			147 95							

Name Edw. Ware.

Address 1121 Pine St.

Remarks

Terms O. L. F.

Card No. 5

Rating

Limit

DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE	DATE	ITEM	FOLIO	DEBITS	✓	CREDITS	BALANCE
190 July 15		2	21 45										
23		4	23 80										
20		2			21 45								
29					23 80								

I. L. T. 59D—20

STATEMENTS

Purchase Ledger, July 31, 190

1 C. A. Klein,	6804	9020	2216
2 B. F. Gassett & Co.	1953	2541	588
3 Trenton Lamp Co.	3910	3910	
4 Philadelphia Carpet Co.	33154	33154	
5 Illinois Furniture Co.	6950	23780	16830
6 N. C. Morris,	30129	35454	5325
7 Sterling Stove Co.		13260	13260
	82896	121119	38223

Customers' Ledger, July 31, 190

1 Geo. Jones,	13325	32375	19050
2 W. L. Barnes,	13765	26640	12875
3 N. T. Snow,	6250	6250	
4 C. E. Howe,	12795		12795
5 Edw. Ware,	4525	4525	
	54460	71790	32970

Trial Balance, July 31, 190

1 James L. Walters,		[illegible] —
2 Purchase Ledger	[illegible] —	[illegible]
3 Customer Ledger	[illegible]	[illegible]
4 Furniture	[illegible]	[illegible]
5 Carpets	[illegible]	[illegible]
6 Stoves	[illegible]	[illegible] —
7 Lamps	[illegible]	[illegible]
8 Discounts		[illegible]
9 Expenses	[illegible]	
10 Advertising	[illegible]	
11 Freight	[illegible]	
12 Salaries	[illegible] —	
Cash	[illegible]	
	[illegible]	[illegible]

Resources & Liabilities, July 31, 190

Resources		
Cash	[illegible]	
Furniture	[illegible]	
Carpets	[illegible]	
Stoves	[illegible] —	
Lamps	[illegible]	
Accounts Receivable	[illegible]	[illegible]
Liabilities		
Accounts Payable		[illegible]
Present Worth		[illegible]

Statement of Losses & Gains, July 31, 190

Gains:				
Furniture,	Sold,	352.75		
	Inv't,	347.23		
		699.98		
	Cost,	687.77		
	Gain,		12.21	
Carpets,	Sold,	236.45		
	Inv't,	260.38		
		496.83		
	Cost,	474.97		
	Gain,		21.86	
Stoves,	Sold,	111.—		
	Inv't,	95.—		
		206.—		
	Cost,	160.46		
	Gain,		45.54	
Discounts,	Gain,		12.65	92.26
Losses:				
Lamps,	Sold,	41.30		
	Inv't,	35.08		
		76.38		
	Cost,	82.62		
	Loss,		6.24	
Expenses,	Loss,		16.45	22.69
Net Gain,				69.57

OPENING, CLOSING, AND CHANGING BOOKS

MODEL SET

PRELIMINARY REMARKS

1. Scope of Lesson.—It is the purpose to show, in this Section, how to open a set of books by single entry, to close them, to change to double entry, to close the double-entry books, and to again change to single entry; also, to make an opening entry by double entry.

2. Importance of Subject.—The opening and closing of books is a part of bookkeeping that is very difficult for most bookkeepers, because they have but little of it to do. These matters are important, however, and a thorough knowledge of them often enables the possessor to secure a position that otherwise he could not obtain. This is in the nature of expert accounting, and the bookkeeper that is familiar with it will be able to get more or less outside work.

A knowledge of both single-entry and double-entry bookkeeping is necessary in order to understand the subject.

OPENING AND CLOSING SINGLE-ENTRY BOOKS

OPENING

3. An **opening entry** for either single-entry or double-entry books should contain a declaration of what the business is and where it is to be carried on, the amount of rent to be

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paid, if any, and when and to whom it is to be paid; also, the amount of the proprietor's investment, or in the case of opening a new set of books for an old business, a statement of the resources and liabilities. This statement shows the accounts that are due the proprietor, the accounts that he owes, the amount of his outstanding notes, his gain or loss, and his net investment, or, as it is sometimes called, his Present Worth, which is the difference between the resources and liabilities. In some kinds of business, where many notes, mortgages, etc., bearing interest, are carried as investments or liabilities, the amount of accrued interest receivable and payable is taken into account and brought into the list of resources and liabilities. This is especially important in the closing of partnership books, where a partner is retiring from the firm.

Some of the items appearing in the opening entry of single-entry books are not to be posted, since none but personal accounts are kept in the Ledger. Those that are not to be posted are indicated by small check-marks in the narrow folio column.

In opening this set of books we shall use the statement of resources and liabilities shown in Fig. 1. This statement may have been made from a Ledger or from memoranda, but in any case it is supposed to be a complete list of the proprietor's resources and liabilities.

The opening entry from this statement, which is shown in Fig. 2, is in the strictly single-entry form. If, however, the double-entry form is preferred, there is no objection to its use.

SCRANTON, PA., JULY 1, 19

Resources

Cash on hand,	4312.27	
Real Estate,	4400.00	
Merchandise, inventory,	4314.76	
Insurance paid in advance,	130.00	
Coal, inventory,	62.00	
Notes Receivable:		
Wm. E. Jones, 4 mos., due July 10	325.00	
Jno. G. Waite, 90 ds., due Aug. 5,	292.75	
Accounts Receivable:		
E. W. Griffith,	272.80	
D. E. Hart,	62.31	
J. C. Hoyt,	271.39	
J. T. Parker,	189.67	
Edw. Price,	63.94	14696.89

Liabilities

Mortgage Payable,	2000.00	
Notes Payable:		
W. N. Chase, 4 mos., due Aug. 5,	438.25	
Accounts Payable:		
S. L. Ware,	321.72	
Jas. Thomas,	124.36	
D. J. Rogers,	71.42	2955.75
Geo. F. Blake, net investment,		11741.14

FIG. 1

1

Scranton, Pa., July 1, 19

I, Geo. F. Blake, have this day
begun a general merchandise
business in Austin, Pa., at 422 Main
Street, the following assets
and liabilities:

1	Cash	Dr.				4	3	5	2	6	7				
2	Real Estate	"					4	4	0	0	—				
3	Merchandise	"				4	3	1	4	2	6				
4	Insurance	"						1	3	1	—				
5	Coal	"							1	2	—				
	Notes Receivable:														
6	— Wm. E. Jones, 4 mos. due July 1,	Dr.						3	2	5	—				
7	— Jno. G. Hartzgode, " Aug. 5,	"						2	9	2	75				
	Accounts Receivable:														
8	— C. C. Griffith,	Dr.						2	7	2	80				
9	— L. C. Hart,	"							6	2	31				
10	— J. L. Boyt,	"						2	7	1	39				
11	— J. T. Parker,	"							1	8	0	1	—		
12	— Edw. Rice,	"							6	3	94				
13	Mortgage Payable	Cr.												2	5	0	1	—
	Notes Payable:														
14	— Wm. Frasier, 4 mos., due Aug. 5,	Cr.												4	3	8	25
	Accounts Payable:														
15	— S. L. Ware,	Cr.												3	2	1	72
16	— Jas. Thomas,	"												1	2	4	36
17	— L. J. Rogers,	"													7	1	42
18	— Geo. F. Blake, net investment,	"												17	4	1	14

Fig. 2

CLOSING

4. The **closing** of a set of single-entry books containing personal accounts only consists principally in finding the loss or gain and transferring it to the proprietor's account. In order to do this, it is necessary to make a Statement of the Ledger, which is a list of all the unsettled accounts in the Ledger, with their debit and credit footings. A list of the other resources and liabilities is then made and the Present Worth found. The difference between the Present Worth now and the Present Worth, or net investment, at the beginning, is the loss or gain. If the proprietor is worth more, he has gained; if less, he has lost. When the loss or gain has been found, it is carried to the proprietor's account by making an entry in the Journal debiting him with the loss or crediting him with the gain, as the case may be, and posting this to the Ledger. The proprietor's account is then balanced and ruled and the balance brought down as a new investment.

This completes the closing of single-entry books and leaves them ready for additional entries.

5. Forms of Statements and Entries.—In order to show the manner of doing the work and give illustrations of the statements and entries explained above, we will assume that we have a single-entry Ledger containing the accounts shown by the accompanying Ledger pages 1–9.

Fig. 3 shows the Statement of the Ledger.

With Inventories as given in Fig. 4, a Statement of the Business would be as shown in Fig. 5.

The Journal entry giving the proprietor's loss is shown in Fig. 6.

Fig. 7 shows how the loss is posted to the proprietor's account and the account balanced and ruled and the balance brought down as a new investment.

1

Geo. F. Blake.

						19					
						July	1		1	11741	14

2

E. W. Griffith.

19						19					
July	1		1	272	80	July	8		7	62	90
	6		4	18	19						
	11		12	7	60						

3

D. E. Hart.

19											
July	1		1	62	31						
	6		6	21	37						

4

J. C. Hoyt.

19						19					
July	1		1	271	37	July	12		7	121	—

5

J. T. Parker

19							
July 1		1	189 67				
9		4	61 45				

6

Edw. Price

19							
July 1		1	13 94				

7

S. L. Ware

19				19			
July 14		5	101 72	July 1		1	321 72
				12		9	117 14

8

Jas. Thomas

				19			
				July 1		1	124 36
				6		8	71 32

9

D. J. Rogers.

18																			
Jul 12				7		71	42	Jul 21				1		71	42				

2

Statement of the Ledger July 15, 19

1	Geo. F. Blake													1741	14				
2	E. W. Griffith							208	59					62	90				
3	D. E. Hart							83	65										
4	J. C. Hoyt							271	39					121	—				
5	R. J. Parker							251	12										
6	Edw. Rice							63	45										
7	S. L. Vare							181	72					438	86				
8	Jas. Thomas													195	68				

Fig. 3

3

Inventories July 15, 19

	Cash							4584	76										
	Real Estate							4400	—										
	Merchandise							4421	66										
	Insurance							124	50										
	Coal							87	—										
	Notes Receivable																		
	— Jno. S. Waite, 90 dys, due Aug. 5							292	75										
	Mortgage Payable													2000	—				
	Notes Payable																		
	— L. M. Chase, 4 mos, due Aug. 5													438	25				

Fig. 4

4

Statement of the Business, July 15, 19

Resources:	
Cash on hand,	4,500.76
Real Estate, store,	4,000.—
Merchandise, inventory,	1,000.61
Insurance, "	1,[illegible]
Coal, "	[illegible]
Notes Receivable:	
— Jno. S. Waite, goods, due Aug. 5	2,[illegible]
Accounts Receivable:	
— E. W. Griffith,	2,[illegible].10
— D. E. Hart,	1,[illegible].65
— J. C. Hoyt,	[illegible]
— J. T. Parker,	[illegible]
— Edw. Rice,	6,[illegible]
Liabilities:	
Notes Payable:	
— W. N. Chase, 4 mos., due Aug. 5,	4,[illegible]
Mortgage Payable,	1,000.—
Accounts Payable:	
— S. L. Ware,	3,[illegible]
— Jas. Thomas,	1,[illegible]
Geo. F. Blake's Res. Worth,	[illegible]
Geo. F. Blake, Proprietor	
Present Worth, July 1, 19 ,	1,[illegible]
" " " 15, "	1,[illegible]
Loss,	[illegible]

Fig. 5

2

July 15, 19

	1	Geo. F. Blake, Loss to date		Dr.	2	6	6	3					

Fig. 6

Geo. F. Blake 1

19										19									
July	15		2			2	6	6	3	July	1		1	1	7	4	1	1	4
*	15	Balance,		1	1	7	4	1	4										
				1	1	7	4	1	4					1	1	7	4	1	4
										July	16	Balance		1	1	7	1	4	5

Fig. 7

*This entry should be in red ink.

CHANGING TO DOUBLE ENTRY

6. In double-entry bookkeeping, an account is kept with everything dealt in as well as with every person, and the Ledger must always be in balance; therefore, in order to change the books from single entry to double entry, an account must be opened in the Ledger with every item of resources and liabilities not already shown there, except the item of cash, an account of which is kept in the Cash Book. The cash account may be kept in the Ledger, but it is more convenient to keep it in a separate book, which, in double-entry bookkeeping, is considered a part of the Ledger.

2

July 1, 6, 19

	10	Real Estate	Dr.	4400 —	
	11	Merchandise	"	4421 66	
	12	Insurance	"	124 59	
	13	Coal	"	57 —	
	14	Notes Receivable	"	292 75	
	15	Notes Payable	Cr.		438 25
	16	Mortgage Payable	"		2000 —
		Entries necessary to change the books from single to double entry.			

FIG. 8

The Statement of the Business given in Fig. 5 shows all the resources and liabilities, those that are already on the Ledger as well as those that are not. Fig. 8 shows the Journal entries necessary to carry to the Ledger the accounts that are not yet there. The items are posted as shown by Ledger pages 10–16, debiting the resource accounts and crediting the liability accounts. The items bear the date of the next working day after the single-entry books were closed; that is, they bear the date of the beginning of the next business period.

10

Real Estate.

19									
July	16		2	4400	—				

11

Merchandise.

19									
July	16		2	4421	66				

12

Insurance.

19									
July	16		2	124	59				

13

Coal.

19									
July	16		2	57	—				

14

Notes Receivable

19							
July	6		2	2[illegible] 75			

15

Notes Payable

				19			
				July	1	2	435 25

16

Mortgage Payable

				19			
				July	16	2	2000 —

When the new accounts have been opened in the Ledger, it is necessary to take a Trial Balance in order to determine the correctness of the work before proceeding with the books by double entry. This is shown in Fig. 9. It is a list of all the unsettled accounts in the Ledger, with the debit and credit footing of each, and the balance of the cash account.

When books are changed from single to double entry in the manner shown, it is not necessary to make an opening

8

Trial Balance, July 16, 19 .

1	Cash	4284 76		
1	Geo. F. Blake		1714 51	
2	E. W. Griffith	298 59	62 90	
3	L. C. Hart	23 68		
4	J. C. Hoyt	271 39	121 —	
5	J. T. Parker	251 12		
6	Edw. Rice	63 94		
7	S. L. Vare	121 72	438 86	
8	Jas. Thomas		195 68	
10	Real Estate	4450 —		
11	Merchandise	4421 66		
12	Insurance	124 59		
13	Coal	57 —		
14	Notes Receivable	292 75		
15	Notes Payable		438 25	
16	Mortgage Payable		2000 —	
		14971 20	14971 20	

Fig. 9

entry; if it is desired to do so, however, the entries given may be omitted and the posting done from the items of the opening entry, checking such accounts as already appear on the Ledger.

Representative accounts, such as Expense, Salaries, Wages, Interest and Discount, Loss and Gain, etc., will be opened whenever there are any transactions to be debited or credited to those accounts. Some proprietors prefer to have all the

outlays for carrying on the business, like rent, fuel, light, commissions, salaries, wages, freight, expressage, cartage, postage, etc., debited to the Expense account. Others, for various reasons, prefer to have separate accounts for many or all of these outlays. Freight and expressage on merchandise received are often debited to Merchandise account, as the cost of the goods is increased by the outlays for transportation.

Advertising, when done in a small way for the purpose of obtaining help or making occasional announcements, is properly treated as an outlay for carrying on the business, but when done on a large scale for the purpose of creating a demand for goods, it should be treated as a resource.

CLOSING DOUBLE-ENTRY BOOKS AND CHANGING TO SINGLE ENTRY

CLOSING

7. We will suppose that the books have been kept for some time by double entry, the Ledger accounts being as shown by Ledger pages 1–18, and the cash balance being $4,935.70, and that it is desired to close the books. The first operation is to take a Trial Balance, which is shown in Fig. 10, and then get the Inventories, which are shown in Fig. 11; the Statement of the Business, which is shown in Fig. 12, is then made out from the Trial Balance and Inventories. The next step is to enter, in red ink, the Inventories on the credit side of the accounts to which they belong, after which all speculative accounts are closed to the Loss and Gain account and this to the proprietor's account, which is balanced, as are also all non-speculative accounts except the personal accounts. All accounts that balance, or are balanced, are ruled up, when the closing of double-entry books is complete.

1

Geo. F. Blake.

19					19				
July	15		2	26 63	July	1		1	11741 14
*	15	Balance		11714 51					
				11741 14					11741 14
					July	16	Balance		11714 51

2

E. W. Griffith.

19					19				
July	1		1	272 80	July	8		7	62 90
	6		4	18 19		22		C.B.	209 90
	11		12	7 60					
	18		14	192 60					

3

D. E. Hart.

19					19				
July	1		1	62 31	July	24		C B	83 68
	6		6	21 37					
	20		14	176 24					

4

J. C. Hoyt.

19					19				
July	1		1	271 39	July	12		7	121 —
	22		14	78 29		26		CB	150 39

*This entry should be in red ink.

5

J. T. Parker.

19								19							
July	1		1		189	67		July	28			C3		189	67
	9		4		1	45									
	24		14		62	40									

6

Edw. Price.

19															
July	1		1		63	94									

7

S. L. Ware.

19								19							
July	14		5		12	1	72	July	1			1		32	1 72
	23		C3		1	17	14			12		9		1	17 14
										2		12		2	50 —

8

Jas. Thomas.

19															
July	27		C3		124	36		July	1			1		124	36
									1			8		7	22
									22			12		12	—

9

D. J. Rogers

19									19								
July	12		7		71	42			July	1		1		71	42		
									July	27		12		117	10		

10

Real Estate

19																	
July	16		2	4400	—												

11

Merchandise

19									19								
July	16		2	442	16				July	31		14		509	53		
	31		12	419	18												

12

Insurance

19																	
July	16		2	124	59												

13

Cash

19																			
July 16			2			5	7	—											

14

Notes Receivable

19																			
July 16			2			2	2	7	5										

15

Notes Payable

										19 July 16			2		4	3	8	2	5

16

Mortgage Payable

										19 July 16			2		2	0	0	0	—

17

Expense

19																		
July	31		C.B.				920											

18

Wages

19																		
July	31		C.B.				32	—										

9

Trial Balance—July 31, 19

1	Geo. F. Blake,		114 51
2	C. W. Griffith,	491 19	
3	D. E. Hart,	259 92	
4	J. C. Hoyt,	349 68	
5	J. T. Parker,	313 52	
6	Edw. Price,	63 94	
7	S. L. Vase,	238 86	
8	Jas. Thomas,	124 36	
9	D. J. Rouss,		115 10
10	Real Estate,	4500 —	
11	Merchandise,	4840 76	
12	Insurance,	124 59	
13	Coal,	50 —	
14	Notes Receivable,	2027 50	
15	Notes Payable,		438 25
16	Mortgage Payable,		2000 —
17	Expense,	9 20	
18	Wages,	32 —	
19	Cash,	492 50	
		16533 47	16533 47

Fig. 10

10

Inventories, July 31, 19

	Merchandise,	4458 61
	Insurance,	119 18
	Coal,	40 —

Fig. 11

Statement of the Business, July 31, 19..

Resources:				
Cash,		493	570	
Real Estate,		4400	—	
Merchandise,		4458	61	
Insurance,		119	18	
Coal,		49	—	
Notes Receivable,		292	75	
Accounts Receivable,		660	71	4915 95
Liabilities:				
Notes Payable,		438	25	
Mortgage Payable,		2000	—	
Accounts Payable,		690	42	3128 67
Geo. F. Blake's Res. Worth,				11787 28
Gains:				
Merchandise Sold,	5093 53			
Inv't,	4458 61			
Produced,	4968 14			
Cost,	4840 76			
Gain,	127 38			127 38
Losses:				
Insurance — Cost,	124 59			
Inv't,	119 18			
Loss,	5 41	5	41	
Coal — Cost,	57 —			
Inv't,	49 —			
Loss,	8 —	8	—	
Expense — Cost,		9	20	
Wages — "		32	—	54 61
Geo. F. Blake's net gain,				72 77
Geo. F. Blake, Proprietor				
Net investment, July 15,		11714	51	
Net gain, July 31,		72	77	
Present Worth, July 31,		11787	28	

Fig. 12

NOTE.—In this statement, the gains and losses are shown separately, and the difference between the total gains and total losses is shown as the proprietor's net gain. The accounts receivable and accounts payable are not itemized. When there are but a few personal accounts in the Trial Balance, it is well to show them separately in the Statement of the Business, but if there are many, it is better to show, as in this case, only the totals.

CHANGING TO SINGLE ENTRY

8. Changing books from double entry to single entry is a simple matter. It will readily be seen that the closing of the books balances all speculative accounts. By bringing down the balance of the proprietor's account, as shown in Fig. 13, only this and the other personal accounts will remain

1

Geo. F. Blake

19								19								
July	15		2	26	13			July	1			1	17	41	1	14
*	15	Balance		117	14	59										
				117	41	14							117	41	1	14
*July	31	Balance		117	87	28		July	16	Balance			117	14		51
									31	L. & G.		19		72	77	
				117	87	28							117	87	28	
								Aug	1	Balance			117	87	28	

FIG. 13

open on the Ledger, thus discontinuing the balanced accounts shown by Ledger pages 10–19 and leaving the books as if they had previously been kept by single entry.

If the double-entry method were to be continued, the inventories and other resource balances would be brought down to the debit side of the respective accounts and the liability balances to the credit side of the respective accounts.

OPENING ENTRY FOR DOUBLE-ENTRY BOOKS

9. Form.—To cover the whole ground of opening, closing, and changing books, it is now necessary but to make an opening entry for double-entry books. Using the resources and liabilities given in Fig. 1, an opening entry for double-entry books would be as shown in Fig. 14. It will be

*These entries should be made in red ink.

noticed that the debit and credit items are distinguished by position instead of by the abbreviations Dr. and Cr. of the single-entry form given in Fig. 2.

10

Real Estate

19								19							
July	16		2	4400	—			July	31	Balance		4400	—		*

11

Merchandise

19								19							
July	16		2	4431	66			July	31		14	509	53		
	31		12	4119	10				31	Invt.	10	4458	61		*
*	31	L. & G.	19	127	38										
				4968	14							4968	14		

12

Insurance

19								19							
July	16		2	124	59			July	31	Invt.	10	119	18		*
										L. & G.	19	5	41		*
				124	59							124	59		

*These entries should be made in red ink.

13

Cash

19							19							
July	16		2		57	—	July	31	Insur.	10		40	—	*
									Int.	5		1	—	*
					57	—						57	—	

14

Notes Receivable

19							19							
July	16		2		292	75	July	31	Balance			292	75	*

15

Notes Payable

19							19							
*July	31	Balance			438	25	July	16		2		438	25	

16

Mortgage Payable

19							19							
*July	31	Balance			2000	—	July	16		2		2000	—	

*These entries should be made in red ink.

17

Expense

19						19					
July	31		CB.	9	20	July	31	L & G.	19	9	20 *

18

Wages

19						19					
July	31		CB.	32	—	July	31	L & G.	19	32	— *

19

Loss & Gain

19						19					
July	31	Ins.,	12	5	41	July	31	Mdse.,	11	127	38
		Coal,	13	8	—						
		Expense,	17	9	20						
		Wages,	18	32	—						
*	31	Geo. F. Blake,	1	72	77						
				127	38					127	38

*These entries should be made in red ink.

Scranton, Pa., July 1, 19 — 1

I, Geo. F. Blake, have this day begun a general merchandise business, in my store, No. 422 Main St., with the following resources and liabilities.			
Cash,	4312 27		
Real Estate,	4400 —		
Merchandise,	4314 76		
Insurance,	130 —		
Coal,	62 —		
Notes Receivable,	617 75		
Wm. E. Jones, 4 mos., due July 10,			
Jno. G. Waite, goods, " Aug. 5,			
Accounts Receivable,			
— E. W. Griffith,	272 80		
— D. E. Hart,	62 31		
— J. C. Hoyt,	271 39		
— J. P. Parker,	189 67		
— Edw. Price,	63 94		
Mortgage Payable,		2000 —	
Notes Payable,		438 25	
W. M. Chase, 4 mos., due Aug. 5,			
Accounts Payable,			
— S. L. Vose,		321 72	
— Jas. Thomas,		124 36	
— D. J. Rogers,		71 42	
Geo. F. Blake, net investment		11741 14	

Fig. 14

HOW TO ENTER ACCOUNTING WORK

PREPARATION FOR WORK

10. Training.—To become a successful bookkeeper or accountant there are two fundamental requisites; a thorough training in the theory of principles and methods, and experience. The studying which you have so far done should enable you with a little practice to keep a set of not too complicated double-entry books, to open or close such a set, or to keep any set of single-entry books, and change them to be kept by double entry. Nine-tenths of a bookkeeper's work is routine; that is, it consists chiefly of handling the detail work of billing and recording sales, checking and entering the invoices of purchases, entering the cash received from customers and depositing it, paying for goods bought, keeping the bank account straight, posting the books, taking trial balances, making out statements of customers' accounts, etc. A very little practical experience in this routine work should enable you to fill satisfactorily at least an average position as bookkeeper.

Very likely you will want to study further subjects such as are needed for a complete training for accounting work, either when holding an important position or when doing public accounting work. No one can stop studying without ceasing to grow in efficiency and the ability to get and hold a better position or increased business as a public accountant.

11. Experience.—You may be so fortunate as to be holding a position as bookkeeper, or to have had some experience in bookkeeping and office work. If so, your progress from now on should be quite rapid and soon lead to advancement. If you have not now a position in which you are getting bookkeeping experience, perhaps you can get one easier than you think. Sometimes it seems almost impossible for one without expe-

rience to get a position, and yet, how can one get experience without having a position? We hope to show you how to do both at the same time. It will require both work and patience on your part, but it has been done many times.

GETTING A POSITION

12. Changing Positions.—Some persons seem to have a natural faculty for getting positions; they get one, leave it, or are discharged, and readily get another. How do they do it? Simple! They have something to sell, and know how to sell it! Each of us know several persons who are constantly changing positions. Why they change we may not know; it may be that, temporarily, they are able to sell a service which they cannot deliver, they may lack ability for the work they engage to do, they may have an unfortunate twist in temperament that prevents them from getting along well with their employers or fellow employes, but while they may be failures at holding positions they certainly are successes in getting them.

Generally, for most people, the getting of a position is more difficult than holding it. Why? Because they have goods or service which they can deliver when sold, but no experience in selling themselves to an employer.

Office people are less likely to change positions voluntarily than are some other classes—salesmen, for example,—and yet many salesmen are more successful in selling a line of goods than they are in selling their services to a new employer. It is a recorded fact that 60 per cent. of those who change positions make a mistake in doing so, and, therefore, while a voluntary change in position should be very carefully considered, it does happen that changes do become necessary from causes beyond one's control; also, there must always be the getting of a first position.

13. What Have You to Sell?—The fact that one wants a position has no appeal to an employer. If an employer needs help at all, it is for a specific purpose; therefore, unless one can offer some specific brand of service and offer it in the right place at the right time, the time an employer is in the market for it,

there can be no sale, or, in other words, no position can be had. Every employer expects every applicant to have as a part of his equipment the cardinal virtues of health, honesty, ambition, etc., so these may be left out of the discussion; you have them or you would not be studying this subject as a means of advancing yourself.

14. Employment as a Bookkeeper.—If you have no other training or experience for a position as a bookkeeper than what you have gained from studying, then you must not expect too much in the way of position or salary at the beginning. If, however, you have had some experience in office work, which you can now supplement with the training your study has given you, then you have more to offer and should do better in every way at the beginning and also make more rapid advancement. Every bit of training and experience brought to a position has its value and market price; the more you have to sell the greater will be the price paid.

Do you write a good hand? How are your figures? Good handwriting and good figures are as valuable in bookkeeping and accounting work today as ever before. If you do not possess the ability to make good clean-cut figures, in straight columns without ruled guide lines, then it will be well worth the time and effort needed to learn to do so. Can you run a typewriter well and at a fair speed? A bookkeeper should be able not only to write letters on a typewriter but to make bills and financial statements on a machine.

Can you run an adding machine? Much time can be saved in bookkeeping work by the use of an adding machine and no one who cannot use one rapidly and accurately can claim today to be an efficient bookkeeper.

Can you operate a comptometer, or other calculating machine? Mechanical calculating is a great saver of time and a preventive of errors; it is a feature in all offices where there is much figuring to do. Many short cuts in figuring have been devised for use with calculating machines, which can also be used in pen work, and it will be found well worth while to become informed along this line.

Are you familiar with ledger posting machines? If not, study up on this phase of bookkeeping; there is much to be learned about it which will be useful in connection with a pen-kept set of books. If you are not acquainted with the sources of supply for such machines, get a copy of *System* magazine, published in Chicago, and write the advertisers for their circular matter.

15. Answering Help-Wanted Advertisements.—When answering an advertisement for help, you must remember that probably several other persons will also answer it. Possibly scores of replies may be made to it, and whoever has the task of looking them over will select for further attention those with the most promising appearance. Good paper and envelopes, neat handwriting, or better yet, neat typewriting, proper spacing, straight lines, regular margins, absence of erasures or blots—these are some of the things that may be vital to your letter. You are entering into competition with all the others who reply. If your letter presents an appearance as good as any other or better, it will get attention, and if the message in it has a strong appeal the attention will be favorable. Your chance of success depends first on the appearance of your letter, and secondly on the skill and force with which you present your qualifications.

Read the advertisement carefully before you try to answer it, and be sure that you know just what is wanted. In most cases you should aim first to get an interview, and your letter should give such information about yourself and your understanding of your prospective employer's needs as will make him wish to see you. To do this:

1. Give all the information requested in the advertisement.
2. Make your letter clear, concise, correct, courteous, and sincere.
3. See to it that your first and last paragraphs are strong.
4. Be sure that the *you attitude* sticks out all over the letter.
5. Keep away from glittering generalities—give your prospect facts about what you have done and can do, upon which he can base a decision.

Confine your letter to one page if possible; if more space is needed, use a separate sheet for each page. If you are asked to tell about your education, tell what schools you have attended and whether you graduated. If you are asked to state the lowest salary you will accept, tell it candidly, but add what you please about the amount you have been receiving and about your desire to work where promotions are possible. Good langauge and correct spelling are very important. Short sentences are generally preferable to long ones, but do not make all of them short.

The advertisement is a message from a prospective employer to you; talk to him in your letter as though you were in his presence. When the letter is finished, read it aloud and imagine that he is listening. Does it sound right to you? If you were the employer and could select from several applications, would the one you just read appeal strongly to you?

Close your letter with a suggestion of the action you wish him to take, and make this suggestion in such a way that he will be inclined to act on it. Make the suggested action specific; that is, that he grant you an interview this week, that he call up (or write) to the references you have given him, that he permit you to submit further information or samples of your work, or that he give you a trial, as the case may be.

16. Advertising for a Position.—It is not necessary to be an advertising specialist to be able to prepare a good short advertisement for a position. Study such advertisements in your local papers and, if convenient, the Sunday editions of some large city papers. An advertisement that will produce good results need not be a long one, but must state clearly just what you have to offer and what kind of position you want. Employers seldom give their names in an advertisement for help, but in advertising for a position it is well to give your name and address, including telephone number. It is well to be guarded in the use of employment agencies, especially those requiring a registration fee. There are many reliable agencies, but there are many more unreliable ones, and unless you know which are

good you will lose not only any advance money paid but also much time and effort.

17. Employment as a Junior Accountant.—Public accounting firms grade their employes as juniors, semi-seniors, seniors, etc. For one who has a good knowledge of the theory of bookkeeping and has had a year or two years of experience in practical work, a position as a junior accountant offers exceptional advantages for training and experience that will be of equal value in continued service of this nature or in the higher positions in business houses. This kind of work is unusually interesting because of the varied kinds of business with which one is brought into contact. It pays well and, for those adapted to it, leads quickly to permanent positions of responsibility. Positions of this kind are not so plentiful as those with business houses and are therefore especially desirable, because, as will be inferred, they are likely to be permanent; all positions requiring long specialized training have a greater tendency to be permanent than those not requiring much training or experience.

Applications for a position as a junior accountant will, of course, be made only to public-accounting firms. There are some such firms in every city and, although they do little advertising, they may be easily located through the business and telephone directories. Application, unless through a personal recommendation, should be by letter with a request for an interview.

ESTABLISHING AN ACCOUNTING PRACTICE

18. Part-Time Work.—Strange as it may seem, it is sometimes easier to get several part-time positions than to get full-time employment at one place. Permit us, however, to give a word of caution. Do not at once give up a position to enter on this work. If you are now employed and feel that you could successfully follow such a plan as will be outlined here, then attempt it in a small way in spare time—evenings, for instance,—and as experience is gained, then extend the work. Of course, no one should attempt this work who has not confidence that he can carry it through in spite of difficulties and

the many discouragements that are sure to arise. There are thousands of successful accountants today who began their careers in just this way.

19. The Plan.—In every town there are several small business houses that really need the services of a bookkeeper but do not care to employ one for full time. They really have not enough work to keep one busy more than a day or two a week, but could easily be sold on the idea of having one come in for half a day three or four times a week. Shoe stores, bakeries, hat stores, garages, automobile accessory stores, plumbers, small contractors, etc., all need a reliable bookkeeper and with a properly devised system of records from which the real books can be made up, entirely satisfactory results can be had at a small cost per week. With several such regular customers a good bookkeeper can make a nice income and actually be in business for himself as a public accountant. The following is an advertisement of such a bookkeeper:

> BOOKKEEPER, commercial experience, trial balance, part time. Korf, 425 Hart St., Brooklyn.

Almost daily in the New York papers and those of other cities similar advertisements will be found. There are various details on which this basic plan may be worked out. For example, the accountant may only work out the trial balances and statements, as indicated by the above advertisement, the daily book work being done by the proprietor or his clerks; or the daily records may be so kept that the accountant can from them make the proper entries in the cash book, journal, and ledger, and then proceed as before with the trial balances and financial statements as required. By such a plan a proprietor has the services of a competent bookkeeper for just the amount of time needed and at a cost he can afford. Many business men who have tried this plan prefer it to having a bookkeeper all the time and have also found that the plan has, by preventing errors in charges, neglect of making out bills at the proper time, etc., saved them many times the cost of the service.

The following are actual advertisements used to get work of this kind:

Situations Wanted—Male

ACCOUNTANT—Books opened, closed, audited, arrangement firms without bookkeeper; system installed. Emil Mack, 121 Waverly place. Watkins 2569.

ACCOUNTING, opening, closing, straightening entangled books; part time; moderate. K 2001, Herald Tribune, Herald Sq.

ACCOUNTANT seeks employment evenings, Sundays; statements rendered; salary reasonable. N. 153 Times.

ACCOUNTANT student, 24, auditing experience, wants position; references. F. 810 Times Downtown.

ACCOUNTANT, certified New York, part time or other connection with accountant. K 498 Times.

ACCOUNTANT, junior, Pace student, experienced, desires position certified firm. M 421 Times.

ACCOUNTANT desires part-time general accounting or office routine. N 126 Times.

ACCOUNTANT-BOOKKEEPING, firms without bookkeepers, $3 weekly; books opened, &c. Bryant 4922.

ACCOUNTANT, wide and public experience, wants additional employment evenings. M. 842 Times.

ACCOUNTANT—Part time work Saturday afternoon and evenings. E. Noli, Whitehall 7950.

ACCOUNTANT desires part-time general accounting or office routine. N. 126 Times.

ACCOUNTANT, certified, desiring part time connection week each month. N. 102 Times.

ACCOUNTANT, public, commercial, tax experience; accept part time. E. 933 Times Downtown.

BUSINESS OPPORTUNISTS' CAUTION! Have an expert accountant investigate your proposition before you venture; moderate fee. Phone Stagg 2474.

ACCOUNTANT, SENIOR ACCOUNTANT, connected with C. P. A., desires part time bookkeeping or accounting connections; suitable arrangements firms without bookkeepers; reasonable. L. 454 Times.

Here are a few actual advertisements for accountant help taken from a single issue of a metropolitan daily paper:

MALE HELP WANTED

ACCOUNTANT, about 25 years of age, with thorough bookkeeping training, to work under personal supervision C. P. A.; good future for man of refined and clean personality; salary commensurate with ability. R. B., 194 Times.

ACCOUNTANT — Senior and semi-senior wanted in office of certified public accountant; state experience in full and salary desired. L 500 Times.

ACCOUNTANT, junior, with C. P. A. firm; experience necessary. Write fully, T 135 Times.

ACCOUNTANT, junior typist, part or full time; state full particulars and salary; certified public accountant. L 494 Times.

ACCOUNTANT—State experience, salary staff of C. P. A. W 331 Times.

20. How to Start.—It is not necessary to have a downtown elegantly furnished office at the start; the work may be done mostly in the offices of clients, and they are more interested in the quality of your service than in your office location and equipment. Use your home address. Have a neatly printed card, something like the accompanying, and, perhaps, some stationery. When you get a start you can likely, if necessary, arrange for a mail and telephone address with the stationer from whom you buy supplies.

JOHN M. STANTON

BOOKKEEPER ACCOUNTANT

Books opened, closed, straightening tangled books; part-time bookkeeping for firms without bookkeepers.

214 Monroe Ave. Phone 1458M

Printed blotters, pencils, and pocket-size celluloid calendars have also been used with success as announcement notices for this kind of business and as a means of placing more or less permanently before a prospective client an attractive advertisement of your service.

The use of much advertising, the sending out of printed circulars, etc., and door-to-door soliciting of business is not considered good professional ethics by professional accountants, yet many of them do advertise in unobstrusive ways. However, you have to get a start and how will possible clients know that you have a service for sale unless you call their attention to it? Your good business sense will be a guide as to how best to advertise and solicit business.

You may not use them often but it is well to have available a few letters of reference as to character and, as soon as possible, testimonials from satisfied clients.

21. Reference Material.—It will be found very helpful to have at hand for study and reference the catalogs of firms specializing in office and accountants' supplies. The advertising pages of *System* magazine will indicate where they may be had. There are numerous books that will be useful. It is a good plan to build up a library of such books to use for reference purposes.

22. Working Supplies.—Of course you should always have on hand a supply of journal and ledger paper, figuring pads, red and black ink of good quality; likely you will find a fountain pen for red ink and one for black ink almost a necessity. Journal style of ruled paper with six to ten money columns, called working sheets, will be found very useful for many purposes.

Some beginners make the mistake of advising their clients to buy too many kinds of expensive books and ruled forms; avoid this. Study how to attain results with simple forms and as few as possible.

23. Income Tax.—Very likely the question most frequently asked you will be: "Do you make up income tax reports?" Until you have made a thorough study of this subject do not touch it. As you go on with your work and studies you will be better prepared to take up highly specialized work like income tax reports, systematizing, cost accounting, etc., but for the present we advise that you keep to the lines which you are sure you can handle successfully.

24. Charges.—Some well-known accountant specialists charge $100 a day, very many $50, still more $35, $25, and so on down to what would be in relationship to a fair weekly salary. Reputation as to ability has much to do with the demand for one's services, and the demand with the price to be charged. A fair salary for a bookkeeper is from $18 to $35 a week. You are trying to establish a personal service business. Be reasonable in the prices you charge and get the work; as you become established you can ask more, and get it.

25. Final Work.—Do not undertake too much, either in volume of work or of a grade beyond your training and experience; by going a lit''e slowly at first you will avoid many embarrassing situations. Your future success depends upon how well you build in the present.

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NOTE.—In this Volume, each Section is complete in itself and has a number. This number is printed at the top of every page of the Section in the headline opposite the page number, and, to distinguish the Section number from the page number, the Section number is preceded by a section mark (§). In order to find a reference, glance along the inside edges of the headlines until the desired Section number is found, then along the page numbers of that Section until the desired page is found. Thus, to find the reference "Banking ledger, §25, p9," turn to the Section marked §25, then to page 9 of that Section.

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